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Russian Parents Struggle to Bring Home Warrior Sons

By Fred Hiatt

Washington Post Service

TOLSTOYE-YURT, Russia — Vladimir Sevalnikov, 59, stood alone in a vast sea of mud, staring at the spot where he had last seen his 19-year-old son more than two weeks ago. Weeping softly, he took no notice of the Grad missiles roaring overhead in thunderous volleys or the dirt-spattered armored personnel carriers rumbling past.

Mr. Sevalnikov was one of hundreds of Russian parents who have descended on the breakaway region of Chechnya to find their soldier-children, to see their faces, to drag them out of war if they can. They have drained their life savings, blockaded tank columns, and besieged train stations and military headquarters — all in desperate efforts to get news of their teenage sons.

In their battle, they waver between exasperation at

the lies and evasions of the military — and fear of hearing the truth.

For Mr. Sevalnikov, the truth came Sunday, after three days' journey from his hometown in Orsk, more than 1,300 kilometers (800 miles) away, to this Chechen village that has become a Russian military encampment. Like so many other young soldiers, Sergei, 19, had been killed in a murderous battle Jan. 1 in the Chechen capital of Grozny, 23 kilometers to the south.

No one had told Sergei's father at the time it happened; even now, no one could say where Sergei was buried.

"How can I go on living?" Mr. Sevalnikov asked no one in particular as he stared at something only he could see. "He will remain before my eyes for the rest of my days."

Mr. Sevalnikov, a retired laborer, had traveled here

just before the new year and managed a few words with his youngest son. He had returned home, but when by Jan. 10 he had heard nothing more, he had to return to Chechnya. Now, like so many in Russia today, he could barely spit out his contempt for President Boris N. Yeltsin and Defense Minister Pavel S. Grachev.

"They sent these untrained boys here, and for what?" Mr. Sevalnikov asked, tears running down his unshaven cheeks. "Do I need this Chechnya, or did my son? We have enough land already."

In Russia today, Mr. Sevalnikov stands out only because he is a father; for the most part, it is Russia's mothers who have rallied to save their sons. It was Russian mothers, fiercely single-minded in their devotion, who campaigned against the Afghan war and against brutal hazing in the army, and it is mostly

mothers who are turning their wrath on Mr. Yeltsin's government today.

Hundreds of mothers have made their way to towns on the border of Chechnya — such as Mozdok, 100 kilometers northwest of here, where a military garrison has become Russia's war headquarters. It was there, Saturday morning, that 30 or more women linked arms to block a convoy until army officers, stymied, let them on the base.

"They didn't know what else to do," said Valentina Vekshina, 49. "They had to get those tanks in Grozny. An officer built like a wardrobe tried to block my way." Mrs. Vekshina, herself fairly solidly built, added with satisfaction, "I told him he could stop me when he sent his own son to war. Until then, get out of my way."

But there have been few such satisfying moments

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Market Soars And Lira Up On Promises Of Reform

But Berlusconi Throws A Curve by Insisting Dini Name His Allies

Compiled by Our Staff From Dispatches

ROME — Italian stock prices jumped and the lira was swept higher Monday amid investor hopes that Prime Minister-designate Lamberto Dini would soon form a nonpartisan government to take control of economic policy.

But the search for a new government hit a snag Monday night when allies of the outgoing prime minister, Silvio Berlusconi, threatened to withhold parliamentary support from Mr. Dini unless his government included members of the former administration.

Financial markets had cheered earlier because Mr. Dini, a fiscal conservative and the treasury minister under Mr. Berlusconi, was holding talks on forming a government of "technocrats" who would tackle Italy's runaway public sector budget deficit, streamline the bloated pension system and pass electoral reforms.

The prospects of a Dini government bolstered the Italian money and stock markets, which had fallen sharply in the uncertainty between the collapse of the last government and the nomination of a new prime minister.

On Monday, the Milan bourse's Mibtel stock price index leapt by 4.51 percent, gaining 584 points, to 10,724 points, its high for the year.

The lira also advanced. The Deutsche mark fell to 1,047.3 lire from 1,055.1 on Friday.

Government bond markets were also spurred higher, reducing interest rates. The yield on the 10-year bond fell to 10.82 percent from 11.02 percent on Friday.

Mr. Dini, a former deputy governor of the Bank of Italy and 16-year veteran of the International Monetary Fund, is considered close to Forza Italia, the party set up by Mr. Berlusconi before the elections last March.

After being asked to form a government last Friday, Mr. Dini received pledges of support from all parties except the extreme-left Refounded Communists. But on Monday afternoon, three of the four former ruling coalition parties — Forza Italia, the neo-fascist National Alliance and the small Christian Democratic Center — said in a joint statement that they would back the new government only if Mr. Dini agreed to reappoint several members of the former government.

The parties contended that, under the constitution, Mr. Dini must choose junior ministers from among current members of Parliament and so is obliged to keep some officials from the outgoing government.

Mr. Dini met Mr. Berlusconi twice Monday to discuss the issue. After being chosen Friday by President Oscar Luigi Scalfaro to form a new government, Mr. Dini pledged to put together a cabinet made up of experts, without consideration of party politics.

A fight had already occurred over Mr. Dini's apparent intention to keep Gianni Letta, a close adviser of Mr. Berlusconi's, in his post as undersecretary to the presi-

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Russian Jets Widen War In Raids on New Targets

By Lee Hockstader

Washington Post Service

ITUMKALE, Russia — Russian warplanes have begun daily attacks on mountain villages south of the besieged city of Grozny, marking a shift in Moscow's stated policy of allowing Chechen rebels an escape route to the south.

The aerial rocket attacks, launched without warning every morning and afternoon for the last week, are aimed at alpine hamlets in the Caucasus from which the Chechens have vowed to wage a guerrilla war if they are driven out of Grozny.

The systematic attacks represent a widening of the five-week-old war. They suggest that the Russians have scrapped plans to permit Chechen fighters an honorable exit in favor of a more ambitious goal of pursuing them into the mountains and, perhaps, trying to wipe them out altogether.

For the time being, however, Moscow still has its hands full in Grozny, the Chechen capital, where Russian troops have met furious resistance since they tried to storm the city New Year's Eve.

In central Grozny, the rebels remain in control of the presidential palace. There were unconfirmed reports that the Russians were driven out of the railroad station not far from the city center, which they had earlier said they had captured.

Russian artillery, mortars, rockets, tanks and helicopter gunships continued to hammer the palace and other Chechen strongholds on Monday, and fires were seen raging across Grozny. But the rebels simply take cover in cellars, bunkers and sewers and fight on.

"If we hadn't resisted the Russians through the centuries, then we would have been degraded," Issa Rodayev, a Chechen artist, said this week. "The Chechen people wouldn't even exist any more — and as you can see now, we exist."

For the first month of the war, the Kremlin said Russian forces attacking Chechnya from the north, west and east would leave open a corridor leading south from Grozny to the mountains in order to allow the Chechens to retreat.

But starting last Tuesday, Russian Su-24 fighter jets began pounding settlements along the scenic road winding up into the

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Boys from a Jewish settlement planting a sapling Monday, Arbor Day, to reaffirm their commitment to the land. Arabs also plant trees to stake out territory.

Enemies on West Bank Dig In to Establish Their Roots

By Clyde Haberman

New York Times Service

SAFA, Israeli-Occupied West Bank — Under a milky winter sun, Diab Abdel-Moti Nasser put the remaining strength of his 75 years into the pick he swung, digging holes in the rocky hillside for almond saplings he was about to plant.

Actually, he said, he was not planting trees so much as making his claim to that patch of land, which lies about a couple of kilometers from this ramshackle village in a southwestern niche of the West Bank. Here, land is politics, and Mr. Nasser was voting with his muscles.

"The Jews want to take our land," he said between swings. "I've been working this land since I was a child."

I inherited it from my father, and he inherited it from his father. This is how I'm going to protect it."

All around him, as other Safa residents were planting hundreds of saplings on Sunday along the gently sloping hill, anti-Israel protests were carried out at half a dozen West Bank locations where Arabs say their land is in danger of being confiscated to expand nearby Jewish settlements.

It was the latest skirmish in a conflict between Palestinians and Israeli settlers that is growing in aggressiveness on both sides as peace negotiations head toward a new, uncertain phase. The battles are being fought mostly with bulldozers and shovels, but sometimes also with weapons, raising concerns that a steadily tense situation could turn explosive almost without warning.

The legal rights to the West Bank's craggy slopes are in endless dispute. More to the point for now, Palestinians and Israelis are each focusing on laying political claim to as much land as possible. They are anticipating an agreement to extend Palestinian autonomy across the West Bank, taking it beyond the tiny enclave of Jericho and the troubled Gaza Strip.

If Palestinians are staking out territory by planting saplings, Israelis are doing the same by uprooting the Palestinians' trees in places and planting their own.

In Elkana, in the West Bank 25 kilometers (16 miles) east of Tel Aviv, settlers went last week to a nearby hill on which they said Palestinians were working illegally,

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Amid Crises, Italy's Dolce Vita Blooms

By William Drozdiak

Washington Post Service

ROME — In the belly of the Eternal City known as Trastevere, restaurant owners once saddled with empty tables turn away eager diners. At Angelo Cenci's boutique near the Pantheon, customers snap up \$150 cashmere scarves as if they were napkins. Among shoppers thronging stores near the Piazza di Spagna, furs and jewels have never seemed so abundant.

As Italy prepares for its 54th government since the war, the ostentatious signs of affluence provide abundant evidence of how many Italians share an uncanny ability to sustain "la dolce vita" despite the frequent spells of political instability and financial turmoil.

Amid all the talk of corruption scandals, political chaos and a plunging lira, it is often overlooked that Italy has evolved in recent years into the world's fifth biggest industrial powerhouse, with a trillion-dol-

lar economy and some of the highest living standards in Europe.

"We've been hearing about how we have fallen into decay and decline ever since the days of the Roman Empire," said Franco Ferrarotti, a University of Rome sociologist. "Italians love to complain, yet deep down inside they know they probably live better than anyone else."

Part of the secret in managing to live so long and so well beyond their means lies in a special knack of Italians to turn adversity into good fortune.

The lira fell last week to record lows against the German mark and has lost more than 30 percent of its value in the past two years, but as a direct consequence Italian exporters have reaped a huge competitive advantage and are now enjoying a spectacular boom that has infuriated their French and German rivals.

Similarly, economists lament that Italy's refusal to adopt any austerity measures to

curtail its bloated deficits and pension system has sent the state debt soaring to more than \$1.2 trillion, one of the highest levels in the world. Yet, nearly all of that debt is owned by Italian investors, who happily buy up government bonds that pay well over 10 percent in interest.

"The state debt actually makes people feel much richer than they really are because of the huge returns on their money," said Luciano Di Crescenzo, a popular writer and philosopher. "There will be a lot of sad people around the day we get responsible political leadership that can bring down the debt."

Enter Lamberto Dini, 63, an ascetic banker appointed Friday by President Oscar Luigi Scalfaro to replace Silvio Berlusconi as the country's prime minister. Mr. Dini worked for two decades at the International Monetary Fund and firmly be-

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Kiosk

Central Japan Hit By Strong Quake

TOKYO (Reuters) — A powerful earthquake that set off small fires and collapsed houses in the port city of Kobe hit central Japan early Tuesday morning, the Japan Meteorological Agency said.

The earthquake, which measured 7.2 on the open-ended Richter scale, rumbled across across Honshu Island from the Pacific Ocean to the Japan Sea. It struck at 5:46 A.M. and was centered 20 kilometers below Kobe, an agency spokesman said. He added that there was no immediate fear of tidal waves.

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IRE AND SMOKE — About 2,000 French, German and Austrian tobacco growers burned bundles of tobacco Monday in Strasbourg, France, to protest a drop in earnings and the planned privatization of the industry.

In the Malcolm X Mystery, the U.S. Offers a Strange Star Witness

By Isabel Wilkerson

New York Times Service

NEW YORK — Michael Fitzpatrick, the man who the authorities say turned in the daughter of Malcolm X and accused her of trying to hire him to kill Louis Farrakhan, has emerged as the central figure in the case, shadowed by intrigue and a history of enticing others to wrongdoing.

While little has emerged about Qubillah Shabazz, despite the notoriety of her famous father, in the days since she was indicted on the basis of his testimony, a much clearer portrait of Mr. Fitzpatrick, the government's star witness, has come into view.

Many who came in contact with Mr. Fitzpatrick when he was a teen-ager in New York have strong recollections of a young man who used to bring guns to school, and showed friends his homemade bombs.

The lives of Mr. Fitzpatrick and Ms. Shabazz first intersected in the elite corridors of the UN International School here, where the children of diplomats and movie stars and business people attend class.

At 18 he was arrested and convicted in the bombing of a Manhattan bookstore that sold Russian books and later became an informer on the planned bombing of the Egyptian tourism office in Manhattan. He now is facing five years imprisonment on drug charges in Minneapolis.

Since the middle of last year, the authorities say, Mr. Fitzpatrick has been talking with Ms. Shabazz about a plot to kill Mr. Farrakhan out of revenge for her own father's murder. Ms. Shabazz, 34, who has been unavailable for comment, is scheduled to be arraigned on Wednesday. If convicted, she could be sentenced to 90 years in prison.

Even in the 1970s, there was talk at his high school of Mr. Fitzpatrick's interest in volatile causes. He was linked to the Irish Republican Army and joined the Jewish Defense League in 1976.

Neither Mr. Fitzpatrick, now 34, nor his mother, who lives in Manhattan, could be reached for comment Sunday. But the FBI agent who recruited Mr. Fitzpatrick to inform on his Jewish Defense League associates described him as a reliable informer who risked his life for the government at a time of tension between Egypt and Israel.

One of the two men who went to prison on the basis of his testimony said he had still not forgiven him.

"He was arrested, and he made a deal," Victor G. Vancier, a fellow member of the league at the time, said in an interview Sunday. "The deal was that he would inform on me."

Mr. Vancier served 21 months as a result of Mr. Fitzpatrick's testimony while Mr. Fitzpatrick entered the federal witness protection program under the name of Michael Summers and moved to a suburb of Minneapolis shortly after the trial.

He held various jobs in Minneapolis. In 1986, he joined an anarchist group called the Back Room. Mr. Fitzpatrick was expelled from the group after three months, when he tried to pressure other members into bombing government targets, according to Christopher Gunderson, a member of the group.

Mr. Fitzpatrick was arrested on Nov. 23, 1993, for cocaine possession after police said they found him snorting the drug in the apartment of his employer, Harlan Rosenfeld. Mr. Rosenfeld owned a gold brokerage company in Minneapolis and hired Mr. Fitzpatrick two months before their arrest.

Dow Jones

Up 23.88

3932.34

Trib Index

Up 0.85%

111.98

The Dollar

New York

DM 1.5313

1.5345

Found 1.5685

98.39

98.55

FF 5.2925

5.2965

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Finland	11 F.M.	Qatar	8.00	Rials
Gibraltar	£ 0.85	Rep. Ireland	£ 1.00	
Great Britain	£ 0.85	Saudi Arabia	9.00	R
Egypt	E.P. 5.000	South Africa	R 10	
Jordan	£ 1.00	U.A.E.	£ 8.50	Din
Kenya	£ 1.50	U.S. Mil.	(Eur.) \$ 1.10	
Kuwait	500 Fils	Zimbabwe	Zim. \$ 20.00	

A Rocket Is Lost In Space

Tokyo-Bonn Shot Cost \$76 Million

By Barry James
International Herald Tribune

The first major collaboration in space by Germany and Japan ended in spectacular failure Monday after their rocket twice circled the world without completely leaving the atmosphere and then disappeared somewhere between Australia and South America.

The malfunction was a face-lifter for Japan's Institute for Space and Astronautical Science. "We feel a great responsibility and we will do our utmost to investigate the cause," said Motoki Hidana, the project leader of the government agency, a smaller rival to the National Space Development Agency.

For Germany, the failure was a big money-loser. It spent 30 million Deutsche marks (\$20 million) on buying and converting a Russian satellite to test a new heat-absorbing material and carry out gravity experiments. The total cost of the mission was estimated at \$76 million.

A spokesman for the German space agency, DARA GmbH, said there were no immediate plans for other joint missions with Japan because future cooperation had been dependent on the success of Monday's flight.

The flight was intended to test the viability of a German-designed shielding material for protecting satellites from the searing heat of re-entering the Earth's atmosphere. Despite the failure, officials said, research would continue, possibly with other partners.

The spokesman, Franz-Peter Spauhorst, said Germany has developed a material capable of resisting temperatures of up to 3,000 degrees Celsius that, in theory, could be used to build the skin of future supersonic aircraft or spacecraft. The U.S. space shuttle relies on a system of heat-resistant tiles on its nose. They must be replaced after each flight.

Mr. Spauhorst said the Germans were awaiting a report from Japanese officials, who were to discuss the malfunction at a news conference Tuesday.

The mission started to go wrong before the four-stage rocket had completed the burning of its second-stage. As a result, Mr. Spauhorst said, it appeared to have headed off horizontally instead of vertically. The rocket also developed a serious shimmy. It was last monitored by scientists at the Australian Space Office heading toward Chile.

The Australians said the rocket had probably broken up and burned as it tumbled through the atmosphere. It was scheduled for a controlled descent to the Woomera testing range in Australia next Saturday.

The deputy head of the Australian Space Office, John Boyd, was quoted by Reuters as calling the failure "a disaster for the program."

"We're not counting on any further missions in this particular series," he said.

The mission, known as Express, for experimental re-entry space system, was launched from the Kagoshima Space Center, about 1,000 kilometers southwest of Tokyo.

The 130-meter capsule was built in Russia and adapted by Daimler-Benz Aerospace AG, which was also responsible for the design and integration of the system.

Mr. Spauhorst said the mission came together after German and Japanese scientists discovered they were working on similar heat-shield experiments. The Nissan Motor Co., which built the rocket, was also testing a reusable heat-shield material, while Ishikawajima-Harima Heavy Industries Ltd. had planned to test crystals for possible use as advanced catalysts in the petroleum industry.

Japan has suffered a series of setbacks in its bid to become a major figure in the satellite launching business, which is dominated by the United States and Europe.

Sweden Marks 50 Years Of Wallenberg Mystery

Agence France-Presse

STOCKHOLM — Sweden will commemorate Tuesday the 50th anniversary of the disappearance of Swedish diplomat Raoul Wallenberg, who smuggled thousands of Jews out of occupied Hungary during World War II. King Carl XVI Gustaf and Queen Silvia will attend a special ceremony at the Riksdag, Sweden's parliament.

Mr. Wallenberg, a member of one of Sweden's most prominent industrial families, disappeared after his arrest by the Soviets in Budapest on Jan. 17, 1945, at the age of 32.

A Longer Workweek? Germans Mark Time

By Craig R. Whitney
New York Times Service

DUSSELDORF — Life for the 16 million people in the former East Germany has been transformed since reunification in 1990, but change has come slower among the 64 million people here in the prosperous West despite warnings that their comfortable and costly welfare state must be cut back in a new era of global economic competition.

Pleas to work longer or harder are not easy to sell in a country where the 35-hour week is common, average hourly wages are higher than those in the United States and even first-year employees get four weeks' paid vacation.

The difficulty was made especially clear this month, when Walter Deuss, chairman of the Karstadt department store chain, suggested that retail stores be given the option of extending their hours to 8 P.M. on weekdays and 6 P.M. on Saturdays, bringing German hours closer to those in other European countries.

Store owners and employees balked at the proposal, demonstrating just how hard it is to get Germans to take another look at what Chancellor Helmut Kohl has called Germany's en-

crusted habits — ways that might have worked during the Cold War but that some now fear are threatening to choke economic growth.

"Nothing will really begin to change until Germans stop believing that the workweek should end at noon on Friday," said Hermann Franzen, who heads the 100,000-member German Retail Trade Association and owns a family porcelain store on the fashionable Königsallee, the flagship retail street here in this city on the Rhine.

German retail trading hours are the most restrictive in Europe because of a 1956 law that was originally written to protect employees and to regulate demand in the booming postwar German economy.

But economic growth in Germany has been sluggish in recent years, and with unemployment at 9.6 percent of the labor force, advocates of longer opening hours suggest that they would stimulate domestic demand and create tens of thousands of jobs.

Since 1956, except for convenience stores in railroad stations, airports and gas stations, not a single supermarket, bakery, boutique or department store in Germany has been allowed to stay open past 6:30 P.M. on

any weekday except Thursday, when closing time is extended to 8:30 P.M.

On Saturdays, except the four before Christmas and the first of every month, stores must close by 2 P.M., and shopping on Sunday is almost totally prohibited. In small towns, moreover, stores traditionally close for lunch.

"It is a typically German kind of law," said Mr. Franzen. But like most of his fellow shopkeepers, he does not want longer hours because he is convinced that they would not bring in enough extra customers to cover the additional operating costs. And owners and employees alike worry that longer hours would cut into their time off.

Proponents of extending the shopping hours say the old law makes social change difficult. The law, for example, is one reason only 58.5 percent of the women in Germany hold jobs outside the home, compared with about 85 percent in East Germany before 1989. Moreover, for dual-income households with young children, it makes having to shop on Saturdays a family ordeal.

But in a German industrial and political culture that remains heavily patriarchal, shopping hours have with-

stood almost every attempt to extend them.

In 1988, the last time the shopping-hours debate produced change, legislators voted to permit Thursday evening shopping, overcoming resistance by shopkeepers and employees' unions. But they also cut back on Saturday hours to compensate employees.

To solve the unemployment problem, labor unions and the Social Democrats have been fighting for nearly the opposite — for employees to have a shorter workweek. Their logic is that employers would hire additional workers to make up the difference in hours.

Many retailers, too, are not convinced that longer hours will mean more jobs, or at least not many good ones.

Margret Monig-Raane, the acting head of the 560,000-member union representing German retail trade, bank and insurance employees, said: "After the Thursday shopping evenings came in, it was mainly 'bad jobs' that were added," meaning part-time jobs paying less than 560 marks (\$360) a month, without the government-mandated social security, pension, or medical premiums that have to be paid on higher salaries.

Papua New Guinea: Sober Reality for Pope Santer Tries To Placate Parliament

By Alan Cowell
New York Times Service

PORT MORESBY, Papua New Guinea — After a record-breaking Mass attended by four million people in the Philippines, Pope John Paul II arrived here Monday and set among a modest 300 worshippers in a small, hot, concrete church and prayed with them.

The crowds may not have been the same, said a local priest, but it was "namba wan samting iro, that's pidgin English for a good thing."

And the Pope himself suggested in off-the-cuff remarks to his audience that the numbers were only part of the story; alongside the ecclesiastical spectacles, the message seemed to be, the small congregations counted just as much.

After sensing the richness of "the same faith and the same love and the same hope" among so many people in the Philippines, he said, "It is for me a great hope, and a great joy to be among you."

The Pope came here on the fifth day of an 11-day journey through Asia and Oceania that will take him on to Australia and Sri Lanka — his most challenging voyage since he broke a leg last April and underwent hip-replacement surgery.

"He is holding up well," said his spokesman, Joaquin Navarro-Valls. "The leg is not painful, but movement is limited."

Possibly, too, the numbers Monday night — on the eve of what is likely to be a far grander open air ceremony on Tuesday — underscored a more sober reality than the exuberance Sunday in Manila during celebrations for the Catholic Church's 10th World Youth Day.

Less than one third of Papua New Guinea's four million people are Catholics. Indeed, Christianity is only 100 years old here.

Elsewhere on his tour, he has encountered far smaller proportions of Christians. While the Philippines is predominantly Catholic, only 3 percent of Asians profess the Catholic faith.

And he has made clear that he regards his mission as one of galvanizing efforts to spread his faith. "It is my desire and pur-



Papua New Guineans going to lengths to see the Pope on his arrival in Port Moresby.

pose to strengthen the Christian faithful of this country as they bear witness to Jesus Christ," he said Monday.

2 Suspects in Plot Sought

Hours before the Pope's arrival, the police in Papua New

Guinea launched a search for two men suspected of involvement in a plot to assassinate him, Reuters reported from Port Moresby, quoting a secret service officer.

Suspicions were raised when the men, described as Iranian,

checked out of a hotel near the airport in Port Moresby. The two were suspected of being involved in a plot uncovered in Manila last week.

"We are treating this very seriously," the Papua New Guinea officer said.

Reuters

STRASBOURG, France — The European Commission president-designate, Jacques Santer, tried to defuse a fight with members of the European Parliament on Monday, removing an Irish commissioner, Pádraig Flynn, from the chairmanship of a women's rights committee after he was accused of sexism.

An EU source said that Mr. Santer and the 19 members of the new European Union executive had agreed to the move at a strategy session called in advance of a confirmation vote by the European Parliament on Wednesday.

Mr. Santer was under pressure from the parliamentarians to react to their concerns after they criticized five of 20 commissioners for various failings during confirmation hearings last week.

The source said Mr. Santer had been confident at the meeting that the commission would now be approved.

Mr. Flynn, the social affairs commissioner, had been made chairman of a new equal opportunities committee in the incoming commission.

But he was attacked by Parliament members after the hearings for an allegedly sexist remark made during the Irish presidential campaign of Mary Robinson, now Ireland's first woman head of state.

Some members of the Parliament, the EU's only directly elected body, had warned Mr. Santer that his commission could be voted down unless he responded to their concerns.

The EU source said that Mr. Santer had made it clear at the strategy session that there would be no redistribution of portfolios.

In Algeria, Death Stains Peace Calls

Agence France-Presse

ALGIERS — Islamic militants in Algeria have stepped up a campaign of assassinations even as religious and secular opposition movements make peace proposals to the military-backed government.

Falah Nour, 65, a member of the National Council of Transition, was murdered in an Algiers suburb on Sunday in an attack blamed by security forces on Muslim extremists.

The incident came as the most radical of the fundamentalist movements, the Armed Islamic Group, announced that it was ready to "stop the war" on certain terms. The source of the statement could not be verified.

The National Council of Transition was set up to replace Parliament after the army canceled voting three years ago, triggering the insurgency.

Last Friday in Rome, the outlawed Islamic Salvation Front and a large part of the secular opposition ended five days of talks with an offer to negotiate with the government to end the conflict.

A day earlier, six activists of the former ruling National Liberation Front were murdered near Relizane in an attack also blamed on fundamentalists.

The National Salvation Front was a party to the agreement signed in Rome with the Islamic Salvation Front and another opposition movement, the Socialist Forces Front.

WORLD BRIEFS

UN Cites Rifts in Bosnia Cease-Fire

SARAJEVO, Bosnia-Herzegovina (Reuters) — Efforts by the United Nations to cement a cease-fire in Bosnia were undermined by the bad faith of both sides on Monday as a demilitarized zone was violated once again, and a plan to open civilian routes fell apart.

Bosnian Serbs who ring Sarajevo sabotaged an accord on restoring humanitarian traffic to the city by demanding the routes be used only by eight foreign relief agencies that do not need them. Meanwhile, soldiers of the mostly Muslim government army had infiltrated the UN demilitarized zone on Mount Igman outside the capital in a new reverse for the cease-fire process, UN peacekeepers said.

Elsewhere, a weeklong Bosnian Muslim blockade of UN troops at their base near Tuzla in northeast Bosnia appeared to be worsening, a UN spokesman said on Monday.

U.S. Returns Last of Haitian Refugees

PORT-AU-PRINCE, Haiti (AP) — A U.S. Coast Guard cutter on Monday repatriated the last group of Haitian boat people who had refused to return home voluntarily from a refugee tent camp at Guantanamo Bay, Cuba.

The 129 returned Monday brought the total of involuntary repatriates to about 4,000, a U.S. Embassy spokesman, Stan Schragar, said. The returnees included a baby girl, born at 3 A.M. Monday during the return voyage.

Although Monday's group represented the last of the Haitians who had rejected a voluntary repatriation offer, about 300 Haitians remain at the U.S. naval base at Guantanamo, pending a legal decision on their status. Those remaining include unaccompanied minors as well as people who have tuberculosis or tested positive for the virus that causes AIDS.

Iraq Calls On Kurds To Make Peace

BAGHDAD (Reuters) — Iraq urged its Kurdish rebel foes on Monday to make peace with Baghdad, saying it still hoped for a peaceful solution for the Kurdish issue.

"The leadership is open-minded to accommodate and react to any serious national initiative," Baghdad radio said, quoting from a cabinet meeting. The radio said the cabinet held a session with President Saddam Hussein on Monday specifically to discuss the deteriorating situation in the Kurdish north.

It said the meeting called on the Kurds, locked in monthlong factional fighting, to "learn from the lessons of the past years and lean toward national solutions to put a final end to these painful situations and events." A senior United Nations official said that fighting by rival Kurdish groups in northern Iraq had led to a breakdown of law and order in parts of the region.

Yemen Aims to Cut Border Tensions

PARIS (Reuters) — President Ali Abdullah Saleh of Yemen, pledging to avoid war with his Saudi neighbors, suggested Monday that he might visit Saudi Arabia to settle a border dispute that has led to a flare-up of tension.

General Saleh, who began an official visit to Paris on Sunday, told the daily Le Monde in an interview published on Monday that Yemen "won't go to war, even if Saudi Arabia took the initiative." He added: "We won't fight our brothers."

The Saudi Press Agency reported the two countries agreed late on Sunday on steps to defuse tension, including withdrawing troops that had been sent to the border area.

Vatican Eases Off on Radical Bishop

VATICAN CITY (AP) — The Vatican is unlikely to go back on its dismissal of a French bishop, Monsignor Jacques Gaillot, but officials here hinted that he could still find a role to play if he accepted the church's authority.

Sources at the Vatican on Monday stressed that while Monsignor Gaillot had been dismissed as bishop of the Normandy city of Evreux for his outspoken criticism of Catholic orthodoxy, he retained his consecration as bishop. He might also find another role in the church; for example, by helping the poor, the sources suggested.

Monsignor Gaillot, who has often spoken out against racism and immigration laws and in defense of homosexuals, on Monday joined a protest by about 100 homeless people who occupied a Paris social security office. "I'm not ready to shut up, I'm not ready to stop. I want to show that I'm still alive," he said during the protest. He added, "The Vatican should rejoice in my defending rights."

TRAVEL UPDATE

Airline Deaths in '94 Up 25 Percent

LONDON (Reuters) — Airline accidents around the world killed 1,385 people last year, with human error and bad weather the principal factors in fatal accidents, according to a study to be issued on Tuesday.

"The 1994 world total of airline fatalities rose by 25 percent compared with 1993, reaching 1,385, but the number of fatal accidents dropped from 43 to 47," said the report, issued by Flight International magazine.

The magazine said 1994 was also a bad year for the insurance industry, with claims expected to hit a record \$2 billion. The fact that five of the fatal passenger-service accidents involved U.S. domestic operations has raised the claim level, it said.

Air Canada will begin twice-weekly flights between Toronto to Tel Aviv on June 20. The flights will be the first to the Middle East by the Montreal-based airline. (Bloomberg)

Malaysia Airlines sealed a 10-year partnership pact with Virgin Atlantic Airways on Monday in a move seen to break the British Airways-Qantas monopoly on routes between London and Australasia. (AFP)

Taiwan reached a tentative agreement with Italy on Monday on establishing direct flights between the two countries, despite the absence of official relations, government officials said. They said both nations had to decide which airlines would be allowed to operate flights on a Taipei-Rome route but had agreed not to use national flag carriers. (AFP)

Visitors now not permitted to see some of the world's most important prehistoric cave paintings will be able to view exact replicas when a new museum opens at the site in northern Spain in about 10 years. The governing board of the Altamira caves Monday approved a plan to expand the tourist site near Santander, which gets about 100,000 visitors annually, news reports said. To protect the paintings, fewer than 9,000 visitors a year are allowed into the caves. (AP)

Restoration work began Monday on the 10th-century El Azhar mosque in the center of Cairo, according to its grand sheikh. The four-year project, which is estimated to cost \$18 million, will be paid for largely by El Azhar, the highest Sunni Muslim authority, a government spokesman said. (AFP)

Cambodia, After Murder, Limits Angkor Wat Visits

Compiled by Our Staff From Dispatches

PHNOM PENH — The government on Monday said it would ban visits to a historic temple north of Siem Reap following an attack on a tour group that left an American woman and her Cambodian guide dead.

Susan Hadden, 50, of Austin, Texas, was killed together with a guide on the approaches to Banteay Serey Temple, 35 kilometers (21 miles) from Siem Reap on Sunday. The Interior Ministry said the main complex in the Angkor area still was safe to visit.

The woman's husband, William James Hadden, was critically wounded and remained in serious but stable condition in an international clinic in Phnom Penh.

The government denied the attack was organized by Khmer Rouge guerrillas and said robbery was the motive. An investigation was continuing, it said.

In the attack, five gunmen fired grenades and automatic rifles at a four-car convoy that included a minivan carrying the American couple. (Reuters, AP)

IHT Editor Testifies in Singapore Court

Reuters

SINGAPORE — An International Herald Tribune editor testified in court here Monday that he believed an article making critical remarks about unnamed Asian judiciaries referred to China, not Singapore.

Michael Richardson, Asia editor of the International Herald Tribune, was cross-examined at length by the Singapore attorney general as the government's contempt-of-court case against an American professor and IHT officials resumed.

The dispute is over a commentary written by the American academic Christopher Lingle and published in the IHT last Oct. 7. Mr. Lingle was then teaching at the National University of Singapore, and the article was edited by Mr. Richardson.

Mr. Lingle quit his Singapore job and returned to the United States in October. He has not returned to face charges.

Attorney General Chan Sek Keong told the court last week that certain parts of the article clearly referred to Singapore and were calculated to undermine public confidence in the judiciary, even though the country was not named.

Mr. Chan read aloud passages referring to "intolerant regimes in the region," some of which rely "upon a compliant judiciary to bankrupt opposition politicians."

Mr. Richardson, a 51-year-old Australian based in Singapore since 1971, was questioned throughout Monday's court session.

He said Mr. Lingle's use of the word "regime" made him think of China, not Singapore. "The general definition of the

word 'regime' usually means a method or system of government which is totalitarian, or which has major totalitarian characteristics," Mr. Richardson said.

The word "immediately triggered in my mind a reference to Asian Communist and military regimes," such as China, North Korea, Burma and Vietnam, he said.

Asked by Mr. Chan whether "regime" could also apply to a democratic government, Mr. Richardson said no.

Mr. Chan produced an article by Mr. Lingle published in Japan's daily Yomiuri newspaper on Dec. 2, headlined, "Singapore repression reveals regime's insecurity." He read a passage describing the island republic as "a Leninist one-party state [that] decides what is best for its citizens and chokes off their means for dissent."

Mr. Richardson said Mr. Lingle was by then "embittered" by his Singapore experience. "Singapore is not a Leninist state," the editor stated. "It is a democracy. Nor is Singapore a one-party state."

"I would say this is an article written by an embittered person," Mr. Richardson continued. "He has simply lost his sense of judgment and proportion. His definition of the word 'regime' is just plain wrong."

Mr. Richardson said Mr. Lingle's reference to "opposition politicians" in the IHT article could have referred to two Chinese intellectuals, Chen Ziming and Wang Juntao, who were both given 15-year jail sentences by Beijing for allegedly masterminding the June 1989 student-led democracy movement.

OPINION

Plenty of Important Work For the Truth Commission

By Anthony Lewis

KING WILLIAM'S TOWN. South Africa — In a bleak cemetery at the edge of town there is a gravestone marked, "Bantu Steven Biko. Born Dec. 18, 1946, died Sept. 9, 1977."

Steve Biko was a brilliant intellectual leader of the Black Consciousness movement, the most respected young anti-apartheid figure of his time; his friends, black and white, thought that someday he would lead a new South Africa. He died of massive brain injuries while in the hands of the security police.

When I left that graveyard, I thought to myself that I could not

many people "fell" from the 11th floor of police headquarters or were gunned down on lonely roads or just disappeared. But the pattern of the measures used to crush opponents of apartheid could be exposed.

In the case of Steve Biko, there can be no doubt of the responsibility for his murder. He was in prison, under the control of the security police, when he suffered the blows to the head that killed him. But no court, no inquiry has ever made a finding of responsibility. "Up till now South Africa has not officially acknowledged what was done," Mr. Omar said, and it would make a difference if the Truth Commission did. "Neither the Biko family nor others have asked for revenge," he said. "What they want is to know the truth."

South Africa's terrible past cannot be raked over forever. But how can one overlook such crimes?

It is true that South Africa needs reconciliation — that the terrible past cannot be raked over forever. But how can one overlook such a crime? To seek a measure of justice with healing, the South African government is creating a Commission for Truth and Reconciliation.

It will carry out a mandate of the new constitution to provide "understanding but not vengeance" for gross violations of human rights in the past. "reparation but not retaliation." The commission will have investigators and subpoena power to compel testimony about torture and killing in the apartheid years. It will be able to give present or former officials immunity from prosecution, but only if they admit to what they did.

Some National Party members of the national unity government, notably former President (now deputy president) Frederik de Klerk, objected to the Truth Commission. But when the draft bill was modified to let amnesty proceedings be held in private, it won cabinet approval by consensus. Parliament is expected to pass it soon. Critics fear that the Truth Commission will stir up old hatreds. But the minister of justice, Dullah Omar, disagrees. "Suppressing the truth will not help reconciliation," he said in an interview. "Failure to deal with the gross abuses of the apartheid era will only lead to festering of those wounds."

Mr. Omar said he had no illusion that any commission could uncover all the facts of individual cases. So

Mr. Omar himself was detained without trial in 1985. He was taking pills for a heart condition. When the police gave him pills, he noticed that they were different from his usual medication — and did not take them. He still does not know whether the switch was an attempt on his life.

In Chile, after the dictatorship of General Augusto Pinochet, he and others in the military were protected from prosecution by a blanket amnesty. But relatives of people who disappeared, still anguished, are challenging the amnesty.

The South African police asked the new government for such a mass amnesty — without making individuals disclose what they did. Mr. Omar rejected that approach. "I have no right to forgive on behalf of victims," he said.

Then, last week, it was discovered that the old white government, just before it went out of office last April, granted immunity from prosecution to 3,500 police officers — and to the police commissioner and the former ministers of defense and of law and order. The last, Adriaan Vlok, has been accused of involvement in the 1988 bombing of the headquarters of the South African Council of Churches, but police officials said they could not investigate because he had been given amnesty.

The courts will probably have to determine the scope and lawfulness of those amnesties. But the uproar aroused by their disclosure showed the danger of blanket indemnity without acknowledgment of wrong.

The new South Africa is so far remarkably free of bitterness. It is important to maintain that atmosphere. But as in other countries with horrors in their past, it is also important to feel and express shame.

The New York Times.

Time for Some Victorian Ideas

By Gertrude Himmelfarb

WASHINGTON — Computers all over the United States have been programmed to type "Dickensian orphanages" as if with a single stroke of the key. George Stephano-poulos proposed sending copies of "Oliver Twist" to all Republican members of Congress. For journalists, "Victorian" has been the preferred adjective. The word "orphanage," Newsweek said in its cover story on that subject, "sticks in the craw" and "evokes the moral hypocrisy of the Victorian Age."

When Newt Gingrich first uttered that dreaded word on television, the Democratic Party and the liberal press pounced with glee: "Dickensian orphanages" were the Republicans' solution to the problem of poverty. When Hillary Rodham Clinton denounced any plan to put children of poor, unwed mothers into orphanages as "unbelievable and absurd," Mr. Gingrich suggested that she rent a video of the 1938 Mickey Rooney-Spencer Tracy film about Boys Town, whereupon he was accused of confusing reality with "Hollywood illusion."

By this time, the affair began to recall the "Murphy Brown" brouhaha precipitated by Dan Quayle, who as vice president criticized the television serial for glamorizing unwed motherhood and was jeered for taking a sitcom too seriously.

In one respect the two episodes are significantly different. It took a full year for Bill Clinton to admit publicly that Mr. Quayle had been right about family values. It took only a few weeks for the liberal press — although not yet the president — to concede that there might be something in the orphanage idea.

Even Newsweek's cover story admitted there is much to be said for

small, family-type group homes like Boys Town — which, its readers may have been surprised to find, not only still exists but has been expanded and improved. Elsewhere such reputable scholars as the social scientist James Q. Wilson have analyzed the problem of abandoned and abused children and concluded that something like orphanages is a necessary alternative to dysfunctional or nonexistent families.

Orphanages are, to be sure, far more expensive than conventional relief. But the cost is not so excessive when compared with that of prisons,

MEANWHILE

hospitals and asylums in which some of these children might otherwise spend a good part of their adult lives, to say nothing of the cost of the crime, delinquency, illiteracy and other social ills that these children might inflict on society.

Moreover, orphanages are only a small part of any welfare system — an agency of last resort. The aim of welfare reform is not to institutionalize huge numbers of children but to create the conditions in which fewer children require such care.

When even so unimpeachable a liberal as the columnist Mary McGrory decided that "an institution is better than a crack house or a life on the street," we clearly reached a new stage in the debate. She also warned liberals not to repeat the mistake they made when they "cackled and sneered" at Mr. Quayle for his Murphy Brown speech.

Now that we are ready to recon-

sider orphanages as well as family values, we may be inspired to rethink other ideas and institutions redolent of "Victorianism."

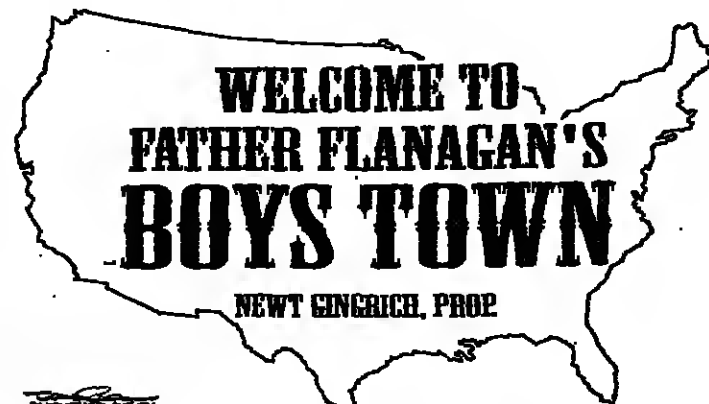
For starters, we might recognize that Victorian England was not nearly as "Dickensian" as Dickens's novels would have us believe. As John Ruskin, himself something of a socialist, said: "It is Dickens's delight in grotesque and rich exaggeration which has made him, I think, nearly useless in the present day."

Even the orphanage in "Oliver Twist" housed only 20 or 30 children, not the hundreds one might imagine. And while the real version was often miserable enough, it was not quite as miserable as the fictional one. Long before Dickens's day, reformers had tried to alleviate the situation by farming out infants to nursing mothers in the country. And throughout the Victorian period, private institutions were generally more humane than the public ones.

While we are rediscovering orphanages — under such euphemisms as group homes, boarding schools or congregate care — we might rediscover other Victorian ideas — about welfare, for example.

Confronted with a growing welfare population, the Victorians (pre-Victorians, actually — this was three years before Queen Victoria ascended the throne) enacted a New Poor Law based upon the principle of "less eligibility." The condition of the "able-bodied pauper" — the principle did not apply to widows, children or the aged) was to be "less eligible" — less desirable — than that of the "independent laborer," thus encouraging the laborer to retain his independence rather than lapse into pauperism.

Or we might rediscover another



Victorian principle: charity. Foreigners visiting England in the 19th century commented on the extraordinary variety of philanthropic organizations, the large sums dispensed by private charities and the unstinting time and energy contributed by individuals. For the Victorians, charity was more than a means of alleviating poverty and misfortune. It was a moral obligation and a civic duty.

One was reminded of this when President George Bush's "1,000 points of light" campaign was greeted with disdain by sophisticated journalists — and more recently when Mr. Gingrich remarked that charity would step in to help unwed mothers who would no longer receive relief, and his interviewer sneered at so retrograde an idea. Yet charities thrive in America, without the imprimatur of pundits.

Or we might rediscover the ideas of cleanliness and orderliness, which Victorians elevated to the level of virtues. These ideas appear in the recent reminiscences of American orphans, who recall, not resentfully, the tidy quarters they inhabited, the floors washed and polished, shoes

lined up as in military formation, precise timetables for meals, study, chores, recreation.

Or we might rediscover, as Newsweek has, the idea of shame. "The Name of the Game Is Shame" is the title of an article on teenage pregnancy. The "old moral relativism" is over, we are told, even if some liberals are loathe to acknowledge it. The "line between right and wrong" must be drawn sharply, and one way to do that is to make illegitimacy shameful. And if shame, cleanliness and charity are rediscovered, can that other Victorian virtue, chastity, be far behind? That, to be sure, is the most farfetched idea of all. But the extraordinary success of William Bennett's "Book of Virtues" may tempt one to believe that a revival of even that virtue is not outside the realm of possibility.

It is such fanciful, utterly Victorian ideas that may be provoked by the debate on orphanages.

The writer is author of the forthcoming book "The De-Moralization of Society: From Victorian Virtues to Modern Values." She contributed this column to The New York Times.

LETTERS TO THE EDITOR

Russia Breaks the Rules

Western governments have deserted the democratic forces in Russia by treating the military intervention in Chechnya as an "internal affair." And they have jeopardized the set of international agreements that was meant to make for a safer and freer place to live.

The Russian government has blatantly violated the rules of the Organization for Security and Cooperation in Europe (formerly the Conference on Security and Cooperation in Europe) regarding human rights and the treatment of national minorities. And it has vio-

lated the agreements on conventional forces in Europe.

This is not an internal matter. That was made clear in the Helsinki document of 1992, when the heads of states and governments of the CSCE — including President Boris Yeltsin of Russia — signed a pledge on common values. In Article 8 of that declaration, it was stated that the obligations within the human dimension of the CSCE are of "direct and legitimate interest of all participating states," and "not exclusively an internal affair."

By failing to react strongly to Russia's violation of rules to which it has committed itself, other gov-

ernments are undermining these rules. If this question is left blowing in the wind, Europe will not be a safer place in which to live.

UFFE ELLEMANN-JENSEN,
Hellerup, Denmark.

The writer is president of the Danish Liberal Party and a former foreign minister of Denmark.

J. Branner (Letters, Jan. 12) attempts to justify the genocide in Chechnya on the grounds that "Chechnya has been part of Russia for very long. It cannot legitimately break away unilaterally." This is analogous to saying that a woman who has been married for a long

time cannot leave her husband, and that he has every right to beat her senseless if she as much as declares her intention for a divorce.

DANYLO H. STRUK,
Sarcelles, France.

A Step Against War Crimes

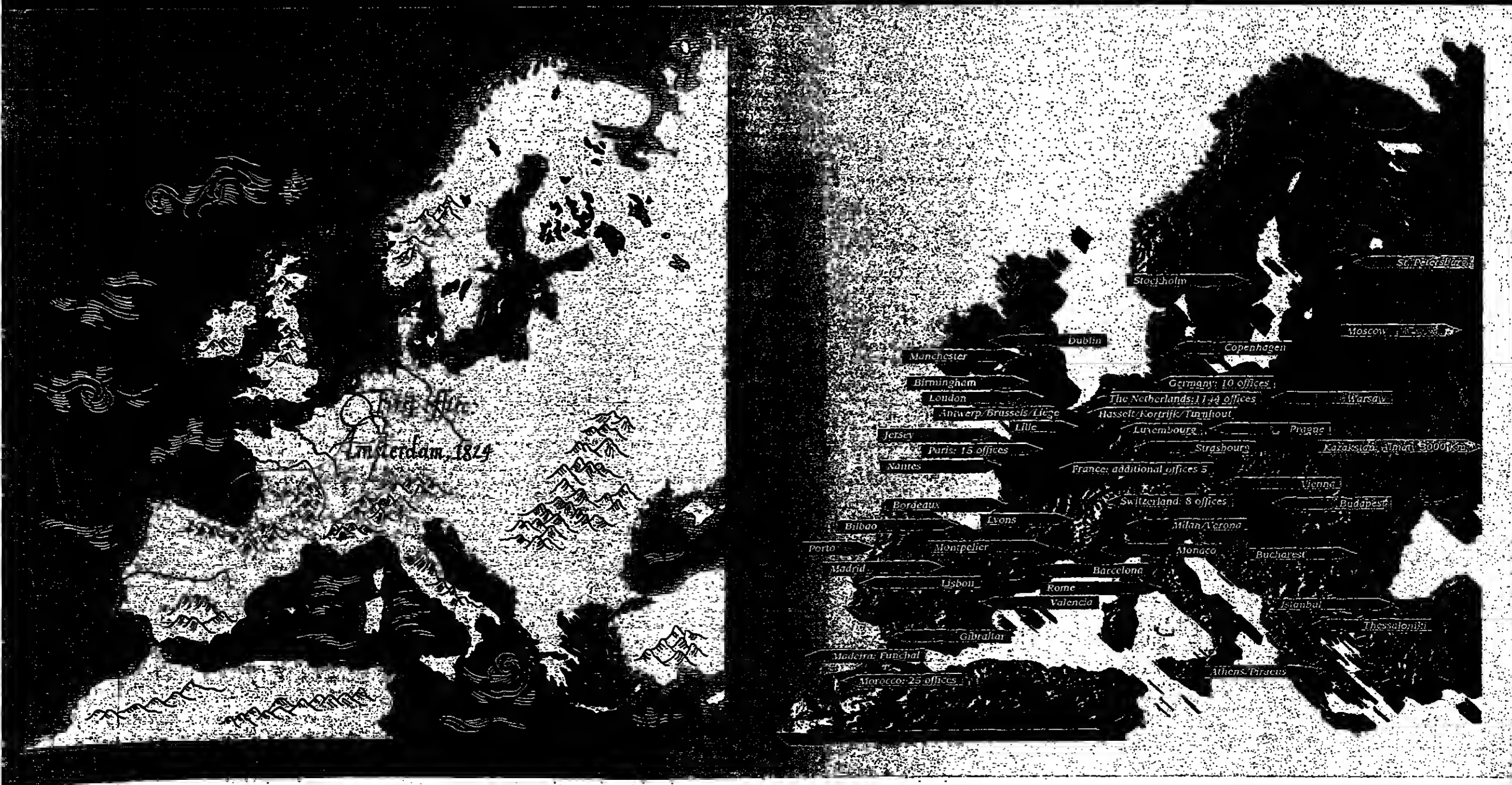
Regarding my article, "UN Foot-Dragging Could Make a Sham of the War Crimes Tribunal" (Opinion, Dec. 21, 1994), I am pleased to report that the United Nations has now approved full funding for the Yugoslavia war crimes tribunal for January through March of 1995. Of the \$28.4 million requested by the

UN Secretariat for all of 1995, the UN budget committee approved \$7 million for the first quarter.

As important as this is, supporters of the tribunal are realistic. We recognize that full funding for only three months does not solve the financial problems facing Justice Goldstone and his team. The UN budget committee will be taking up in February and March what to do about the tribunal's funding for the rest of 1995. Funding for the Yugoslavia tribunal will continue to be an important issue throughout the year.

THOMAS S. WARRICK,
Washington.

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Anti-Terror Tactics Stir Anger in Egypt

Hundreds of Villagers Arrested

By John Lancaster
Washington Post Service

MAHRIS, Egypt — By some indicators, the government's three-year-old campaign against violent Muslim extremists took a turn for the better in 1994. Casualties leveled off, tourism started to rebound and calm returned to Cairo.

So why did this desolate farm village in the Nile Valley look like a war zone one recent afternoon?

After the execution-style slaying of eight policemen near here on Jan. 2, security forces hacked by armored personnel carriers, enforced a dusk-to-dawn curfew. Several houses lay in ruins, bulldozed by government troops because their occupants were suspected to include militants or their families. Schools were closed, residents were barred from leaving and utilities were cut each day until 8 P.M., villagers said.

"They are taking revenge on the people," said Mohammed Gamal, 33, a farmer with five children. "We had nothing to do with this."

Hounded from major cities and tourist centers by police tactics, the militants have gone to ground, staging hit-and-run attacks on police from sugar-cane fields and villages like this one in rural Minya Province, about 260 kilometers (160 miles) south of Cairo.

In a conflict that bears growing resemblance to low-intensity guerrilla war, militants in

Minya have killed or wounded at least 60 police officers and conscripts since last spring.

In response to deteriorating security conditions in Minya, the government has cracked down, arresting hundreds of villagers and detaining them in open-air camps without formal charges, according to human-rights workers and residents.

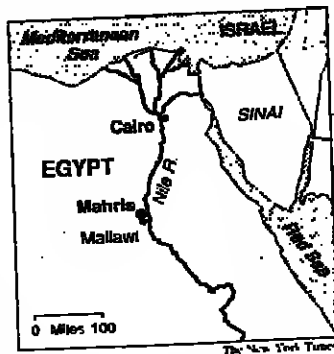
Although regular army forces have yet to be called in, government tactics resemble those of a military counterinsurgency campaign: burning cane fields used by militants as cover and, in at least one case, bulldozing houses of suspects and their families.

Such methods have done little to endear the government to its rural constituents in Minya, which like most of Upper Egypt suffers from soaring unemployment, inadequate health care and education, and a lack of services.

"The police policy of group punishment has produced the opposite of what was intended," said Fathalla Khafagy, who represents the independent Egyptian Organization for Human Rights in Mallawi, Minya's second-largest city, and heads the local chapter of the opposition Nasserite Party.

"This is not, in the first degree, a security problem," he said. "It is political, economic and social."

"This also explains why the citizens are not standing next to the police to confront these



Minya province is in the center of Egypt. The Nile River flows through the country.

groups," he added. "This is guerrilla warfare."

Minya's sugarcane war is the latest chapter in a conflict that dates to 1991, when members of the shadowy, outlawed Islamic Group began their violent campaign to topple the regime of President Hosni Mubarak.

The violence has prompted dark comparisons with the Islamic insurrection in Algeria, where up to 30,000 people have died, and raised fears about the stability of one of the most important U.S. allies in the Middle East.

Such fears have not been borne out by events, in part because of improvements in communication, coordination and intelligence-gathering by government security forces, according to Western diplomats. These improvements have enabled the government to track down and arrest a number of key militant leaders, disrupt their sources of outside financial support and, in some cases, preempt planned operations, diplomats say.

Nationwide, the death toll in the conflict has stopped its upward climb, dipping slightly from 332 in 1993 to 304 last year, according to statistics compiled by the Ibn Khaldoun Center in Cairo, a nonprofit research group.

after a meeting scheduled for Thursday between Mr. Rahin and Yasser Arafat.

In the meantime, settlers sense that their future is getting shaky. They have begun taking a more confrontational stance toward both Palestinians and the Rabin government.

They attack Mr. Rahin, but he has not fully shown himself to be the enemy they claim him to be. His anti-settlement stand has been selective. On one hand, he has greatly reduced government-financed construction, as pledged in his 1992 election campaign. But he has not stopped private building.

Increasingly, it seems likely that Israeli soldiers will remain behind in some Palestinian cities and towns — in Hebron almost certainly — but the situation may not become clear until

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A South African Rite's Slow, Painful Change

By Paul Taylor
Washington Post Service

EAST LONDON, South Africa — Lusamile Gusha did not want to go to the hospital in the first place. But now that he was there, he dreaded leaving.

The shy 19-year-old student was being treated because his penis became infected during a tribal circumcision ceremony. Each year at this time, hundreds — perhaps thousands — of teenage males in South Africa suffer the same fate.

The infections arise when traditional surgeons wash their knives or axes with polluted water, or when they use the same unsterilized instrument on more than one initiate in the ancient coming-of-age ritual. In extreme cases, infection can lead to amputation or death.

Mr. Gusha, a member of the Xhosa tribe, escaped with a relatively minor infection. His problem will worsen when he returns to his circumcision school for the feast marking the end of his three-week manhood rite. Because he sought modern medical treatment, he worries that he will be seen as having cracked under the strain that is meant to be part of the ritual.

"I'm going to be called names," he said. "But after all, it is my health."

Mr. Gusha's dilemma is also that of South African medicine: how to operate in the awkward intersections between tradition and modernity in a changing society.

"Very cautiously," said Walter Makhonjwa, a public health official who has been trying for years to teach *ingcibi* (traditional surgeons) to sterilize their knives and to use a different knife for each initiate. "Modern medicine has a role to play in circumcision, but it's a back-seat role. We don't want to dilute anybody's custom."

About half of South Africa's 10 black tribes practice teenage circumcision, and Xhosa attach great significance to the ceremony. An uncircumcised Xhosa male cannot inherit his father's possessions, establish a family or officiate at tribal events. He is not considered a man, but an undignified dog.

"If the people of my township discovered someone my age who was uncircumcised," said Mr. Makhonjwa, 62, they would take him "to the bush and do straight away."

The modern Xhosa circumcision ritual calls for teenage males to live for up to three weeks in temporary huts made of grass and sticks, isolated from their community. During their seclusion, they

receive lectures from tribal elders and engage in dances, stick fights and other physical contests.

The circumcision is typically done with an *asegal* — a traditional spear — and without anesthetic. It is meant as a test of bravery.

In "Long Walk to Freedom," Nelson Mandela's recently published autobiography, South Africa's most famous Xhosa recalls the tribulation of his circumcision at 16:

"Without a word he took my foreskin, pulled it forward, and then, in a single motion, brought down his assegai. I felt as if fire was shooting through my veins; the pain was so intense that I buried my chin in my chest."

"Many seconds seemed to pass before I remembered the cry, and then I recovered and called out, 'Ndiyindoda!' — 'I am indeed a man!'"

After the surgery, the severed foreskin is buried in an antil, to be eaten before wizards can use it for evil purposes, according to customary belief. Then a male nurse dresses the wound with healing herbs and covers it with corn leaves and a leather thong.

For the first week after the circumcision, the initiate drinks as little liquid as

possible, to reduce urination, and covers himself with white clay to signify purity. He also wears nothing but a blanket for clothing. After eight days, his villagers throw a ceremony marking his entrance into manhood. His old clothes, utensils and hut are burned, and he is feted with gifts.

Last year Mr. Makhonjwa organized a conference of 150 nurses and traditional leaders. He offered free knives and sterilizing solution and urged that initiates be tested beforehand for AIDS and venereal diseases. And he urged communities to stop ostracizing initiates who have to be hospitalized.

The education campaign seems to have had some impact. In December, the summer in South Africa and the busiest month for circumcision schools — hospitals in this Xhosa-dominated region around East London admitted 89 boys with infected penises, compared with 129 the previous December. Of these, 6 boys died, down from 12 previous years.

But the problem continues to intensify in other regions. In one Northern Transvaal village, home of the Pedi tribe, five initiates died last year when polluted water was used to stop the bleeding from their circumcision wounds.

U.S. Seeks to Mollify Russia Over NATO

By R. Jeffrey Smith
and Daniel Williams
Washington Post Service

WASHINGTON — Even as it steps up its pressure on Russia to end the war in Chechnya, the Clinton administration has urged Mr. Yeltsin to quickly end the bloodshed and attacks on civilians but has stressed that the conflict was an internal Russian matter.

A senior U.S. official said the Geneva meetings "will be exploratory discussions," adding that more meetings would probably be required.

NATO officials responded positively when they were briefed on the initiative 10 days earlier by the deputy secretary of state, Strobe Talbott, several diplomats said.

NATO's principal challenge in the new dialogue will be to ease Russia's concerns about NATO expansion without offending Moscow the vote — or veto — that Russian officials say they want in NATO policy-making on major matters such as Bosnia, U.S. officials said.

Washington wants to offer Moscow a new sort of full membership while not undermining the U.S. claim that full membership might one day be feasible, the officials said.

■ **Summit Sought in May**
Mr. Yeltsin has invited President Clinton to a summit meeting in Moscow in May, despite increasing U.S. criticism of the Russian military campaign in Chechnya, the Associated Press reported.

Mr. Yeltsin will not, however, attend the meeting of the World Economic Forum in the Swiss resort of Davos this month. "In the current situation, President Boris Yeltsin does not consider that it is possible to visit Davos," Itar-Tass said.

Being the EXPO'98 religious type, the Portuguese appreciate a quiet corner where they can meditate.

This one, the Monastery of Batalha was built in the late XIVth century by King João I.

Elsewhere, Portuguese worshippers tended not to settle for anything less.

As a result, you can find Romanesque, Gothic, Manueline and Baroque chapels wherever you choose to visit.

And, religious or not, you'll find they're all worth a few minutes' quiet contemplation.

Monastery of Batalha EXPO'98 • LISBON • Coming soon.

For the Russian planes, the villages are easy targets. Some of them are situated above the clouds, where visibility is good for pilots who come in low. There is no sign of anti-aircraft weapons. In fact, there is little evidence that many Chechen fighters, the majority of whom are still fighting in Grozny, are even present in the villages.

In addition to hitting the villages, Russian pilots have tried to knock out bridges along the road. So far, they have missed. Adam Asnukayev, 26, the local sheriff, said he believed the Russian pilots were missing the bridges intentionally, in order to make return sorties and rack up more flying time and earn extra combat pay. While there is no way to know if that is true, Russian military pilots do complain routinely of meager flying time.

Said Asia Ibragimova, 40, a refugee from Grozny who has been living in the mountains for the past month and half: "There's not a single partisan here, not one. It's just refugees, old people and children."

That may be overstating it. Most Chechen men do own arms. But journalists who have passed through the mountain villages here have not come across large groups of Chechen fighters.

■ **Chernomyrdin Appeal**
Prime Minister Viktor S. Chernomyrdin called on Monday for immediate peace talks and a cease-fire in Chechnya and promised that the Russian military campaign there would not endanger Moscow's economic reforms. Reuters reported from Moscow.

Moscow Investigating Disobedient Officers

By Margaret Shapiro
Washington Post Service

MOSCOW — Russia's acting prosecutor-general said Monday that his office was investigating several officers, including at least one general, for apparently refusing to obey orders in the Russian assault in Chechnya.

The acting prosecutor, General Alexei Ilyushenko, said that no criminal cases had yet been opened against anyone. But he said investigations were continuing, including one involving Colonel General Eduard Vorobyov, deputy head of the Russian ground forces, who refused command of the whole Chechen military operation last month. General Vorobyov tendered his resignation, but his offer to resign was rejected.

"Refusal to fulfill an order is punishable under the criminal code of Russia," General Ilyushenko said. "If we establish a fact of refusal to fulfill an order, criminal proceedings will be instituted and those guilty will be punished. There should be no doubt about it regardless of whether a general, a deputy defense minister or a private is concerned."

Although the acting prosecutor refused to name anyone other than General Vorobyov being "checked," he did say that Major General Ivan Bahichev, who gained wide attention for stopping his tank column on route to Grozny rather than shooting at civilians, was definitely not being investigated. Out of the limelight and once the civilians moved out of the way, General Bahichev continued his advance and is now one of two generals leading the assault on Grozny.

Russia sent troops into Chechnya on Dec. 11 to end a three-year independence movement there. The operation has turned into a debacle and has been extremely unpopular at home and abroad. Several top generals have expressed criticism of the operation and of their strong disapproval of the Chechen operation and of Defense Minister Pavel S. Grachev, reflecting widespread discontent in the military toward the operation and General Grachev.

Among the harshest, and most high profile, critics have been the former Deputy Defense Minister Boris V. Gromov, who lost his post when he went public with his criticism, and Lieutenant General Alexander Lebed, the commander of the 14th Army stationed in Moldova who has had run-ins with General Grachev before. General Lebed's command is now the focus of a Defense Ministry inspection to relieve the Afghan veteran of his post.

General Ilyushenko's announcement appeared to be part of an effort to try to muzzle continuing and embarrassing dissent in the military. But his comments were met with surprise in the lower house of the Parliament, the State Duma, which has twice rejected efforts by President Boris N. Yeltsin to make General Ilyushenko the permanent prosecutor-general because the lawyer is seen as too political.

"There are no legal reasons for initiating legal action against these military leaders," said Sergei Yushenkov, head of the Duma's defense committee, who has called for Mr. Yeltsin's impeachment for agreeing to, or ordering, the assault on Chechnya.

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DOLCE: Italy's Sweet Life

Continued from Page 1

lives in its creed of economic austerity.

Like any good central banker, Mr. Dini has vowed to lead a government of no-nonsense technocrats who will restore discipline to the economy.

"For so long, we've had governments that tried to please everybody," said Sergio Romano, a former diplomat who is now a leading political commentator. "Now maybe it's good that we will have a government that tries to please nobody, which is basically what Dini says he intends to do."

As Treasury minister, Mr. Dini was the principal architect of Mr. Berlusconi's economic reforms, most of which had to be put on hold because of fierce public opposition. The pain involved in trimming generous pensions and other social perks also was anathema to the ever-smiling Mr. Berlusconi, who was nicknamed The Great Seducer for his pie-in-the-sky promises to create a million new jobs through a new Italian economic miracle.

Based on the Berlusconi experience, Mr. Dini's chances of persuading Italians to work more for less pay and perquisites seem highly dubious. The country's "diario unico" allows many of the 3.6 million civil servants to leave their jobs at two in the afternoon. Even so, absenteeism is endemic, yet it is virtually impossible to get fired. Public employees can qualify for full pensions after 15 years of service.

As in many other European countries, six or seven weeks of annual paid vacation are considered the minimum and weekends and holidays are sacrosanct.

And even three years after Milan's anti-graft magistrates began unraveling a bribery scandal that discredited much of the country's political and business establishment, investigators are finding that corruption and patronage are still considered normal business practices.

Tax evasion remains a national sport. A government review of incomes among many self-employed professionals found that many doctors and lawyers declared so little income that they were hovering near the poverty line.

At some point, the bills may come due. While amazed by the resourcefulness of his compatriots, Enzo Biagi, a prominent writer, believes that the country may not be able to prolong the sweet life and survive its many crazy contradictions into the next century.

"We gave our children vitamins when they really could use some values," Mr. Biagi said. "The true nature of our crisis may turn out to be personal rather than political."

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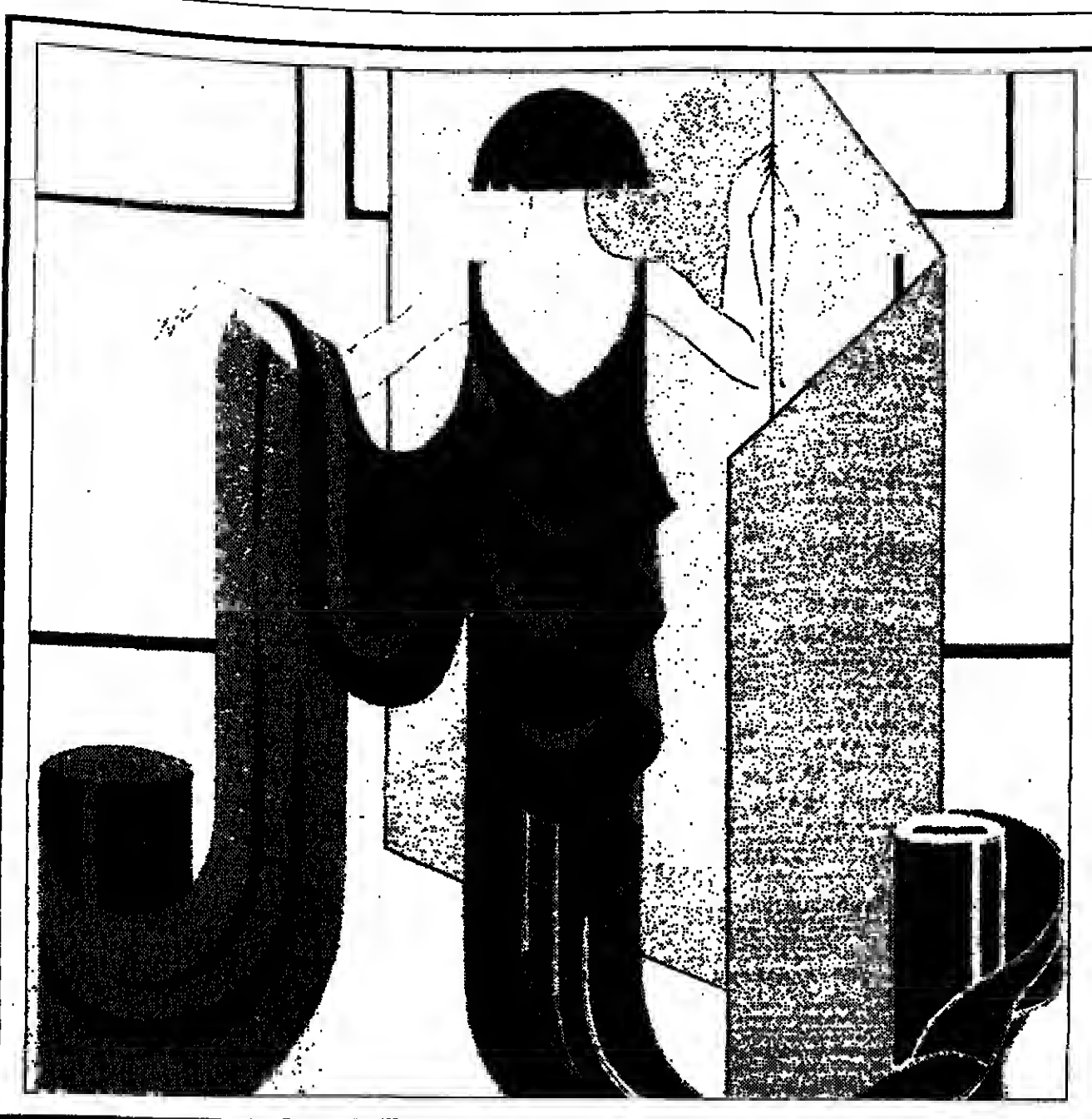
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A stylized 1922 watercolor by Thayaht, who created Vionnet's Art Deco logo.

A Harbinger of the Modern Look

LYON — If this inscrutable wood-doll — the size of a ventriloquist's dummy — could only speak, what tales it could tell. For the carved head and jointed body with articulated arms have witnessed the secrets of haute couture.

It would sit on the lap of Madeleine Vionnet as she draped fabrics, creating in miniature high fashion designs that freed the female body. Now, 20 years after Vionnet's death at the age of 99, the revolutionary dresses that she invented in the 1920s are displayed at the Musée des Tissus in Lyon — a tribute to her timelessness and in recognition of her still-powerful influence.

Azzedine Alaïa, Comme des Garçons, Issey Miyake and John Galiano are contemporary disciples of the fashion purist who was a harbinger of modern style even before Gabrielle Chanel.

The core of "Madeleine Vionnet: Les Années d'Innovation 1919-1939" (until March 26), is a stairway. Set with Corinthian columns, it mounts like Greek temple steps, on which are displayed Vionnet's most powerful creations: an alabaster-pale dress in thick crepe, falling from a rouleau band at the shoulder and with folds gathered at the thigh. So easy it looks — yet Alaïa spent hours working out how to transform the pool of fabric into a limpid neoclassical dress.

Karl Lagerfeld has lent a 1930 wedding dress, a river of white satin, rippling into Vionnet's favorite bows at the hips, before flowing to the floor. Like most of the dresses it is part of the collection of l'Union Française des Arts du Costume, or UFAC, to which Vionnet donated garments, toiles and archives when she closed

her fashion house on the eve of war in 1939.

In the 1930s, the mighty couture house at 50 Avenue Montaigne (currently a Jil Sander boutique) had employed 1,200 seamstresses; the entire personnel of a big couture house today being a 10th of that. Pictures in the exhibition catalogue show upscale clients and the photographic records Vionnet made of each collection. (Maddeningly, they are not on display, although one of the fat albums lies tantalizingly closed in a glass case.)

The show seems back-to-front, for the end of the exhibition is the dramatic stairway descending from a re-creation of Vionnet's studio.

"I did not want to do a classic retrospective, but to put the accent on innovation, and to make a choice emphasizing Vionnet's work with squares and circles," said Lydia Kamitisis, the UFAC's curator.

Perhaps the museum is right to open the show with the essence of Vionnet: cut and technique. She is credited with inventing bias-cutting, and, Kamitisis says, was certainly the first to exploit the concept of creating garments against the fabric grain to give fluidity.

VIONNET'S draped dresses are displayed in a trio of subterranean bunkers, where meticulous drawings show the geometry of how they are created. Drawings by futurist artist Thayaht (who created Vionnet's Art Deco logo) link Vionnet's work to the Cubist movement in art.

It is a mystery how this simple girl from a petit bourgeois background, locked at age 11 into a grinding apprenticeship as a seamstress, could have invented clothing

that was a precursor of the Bauhaus movement.

"I have never looked at fashion, but worked from inside my head," Vionnet said. "My personal formula is that a dress is beautiful, because it is well cut."

The technique is overwhelming: not just the Grecian draped dresses that seem so modern because they take their shapes from the body. But the assemblages of fabric: a dress in moss green velvet, using the pile and the reverse sides in a harlequin pattern. Or marquetrie effects, when inlays of different materials are inserted, rather than appliquéd on the surface.

Although Alaïa and Galiano may worship at Vionnet's shrine, such time-consuming and costly handwork is impossible to re-create today.

The opening display case shows a photograph of silver-haired Vionnet (she was 46 when she opened her couture house in 1922) working with a miniature mannequin. It looks like a child: a substitute for the baby daughter that died after her brief marriage at age 18. Vionnet left her husband, went to London to work as a hospital seamstress, returned to Paris to train at the houses of the Callot Soeurs and Doucet, and became financial as well as creative manager of her own house, battling for copyright laws in fashion.

Her labor attitudes revolutionized women's working lives, for she installed chairs for the employees (Chanel had backless stools), gave paid holidays and maternity leave, and had a resident doctor and dentist. As in fashion, so in her feminist outlook, Vionnet was a woman ahead of her time.

Suzi Menkes

BOOKS

LETTERS AND DISPATCHES 1924-1944

By Raoul Wallenberg. Translated from Swedish by Kjersti Board. 286 pages. \$24.95. Arcade.

Reviewed by Jonathan Yardley

NOT so long ago the fickle finger of fate, aka Steven Spielberg, reached down from the firmament and plucked out of near-total obscurity a man named Oskar Schindler. Thanks to Spielberg's film about Schindler and his list, that German businessman has become the personification of Aryan resistance to the Holocaust, if in other aspects of his life something less than a saint.

Those whose knowledge of the Holocaust has been derived from sources more authoritative than the movie theater are well aware that there was at least one man whose labors on behalf of Europe's Jews so far exceeded Schindler's as to render comparisons pointless.

His name was Raoul Wallenberg. Though he has scarcely been consigned to posthumous obscurity, his name by contrast with Schindler's is little known. This is a pity because his story is both remarkable and — no other term will suffice — genuinely inspiring.

Wallenberg has been the subject of several good biographies, among which my own preference is for John Bierman's "Righteous Gentle," yet he is in many important respects a mysterious figure. Not merely do we not know his precise fate, we remain puzzled that this son of privilege, trained in architecture and employed in banking, should have taken onto his shoulders the burden of the Jews. From time to time new evidence appears that helps bring Wallenberg into sharper focus, but even so the mystery continues.

The contents of the present volume are more such evidence. It contains a number of letters written by Wallenberg, chiefly to his paternal grandfather, during his years of education and apprenticeship; a handful of dispatches from Budapest to Stockholm, and a few letters from Budapest to members of Wallenberg's family. All of these documents are lucid, some of them are charming and even amusing, others are poignant; but the light they shed is, again, relatively dim and narrowly focused.

Unquestionably the most interesting are the letters — many

of them from America — to Wallenberg's paternal grandfather. Gustaf Wallenberg was a distinguished diplomat who, after the early death of Raoul's father, took the younger in hand. He was at once forbidding and loving, an old-fashioned man who wanted above all else to shield his grandson from what he saw as the degeneracy and insularity of 1920s Stockholm. He wanted Raoul to be "a useful member of society" and believed this could best be accomplished in the United States, where he detected "the kind of upbringing aimed at teaching men to be self-reliant, even to feel that they are better than others."

So off Raoul went to the University of Michigan, where he soon thrived. He became an enthusiastic partisan of many things American, motion pictures and radio most notably, and was active socially as well as intellectually.

Throughout these letters there is a palpable sense of an important life in the making; everyone seems to have recognized in young Wallenberg an extraordinary if unshaped human being, a masterpiece-in-progress.

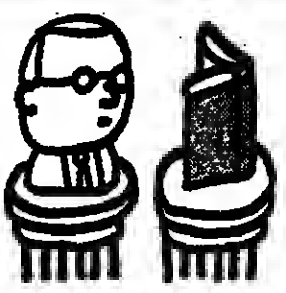
One reaches the end of "Letters and Dispatches" grateful for these glimpses of his life and mind but not much less puzzled than before. Perhaps this is as it should be. Many of the greatest stories are eternal mysteries, and of the greatness of Raoul Wallenberg's there can be no doubt.

Jonathan Yardley is on the staff of The Washington Post.

WHAT THEY'RE READING

• Susan Black, managing director of E. M. Warburg, Pincus & Co., is reading: "Truman" by David McCullough.

• A biographical blockbuster. On his desk was the office "the buck stops here." This man was one of the most significant presidents America ever had. He stood for honesty, directness, fair play and high principles. (Margaret Kemp, *1HT*)



Armani's Off-the-Rack Mozart

By Suzi Menkes
International Herald Tribune

LONDON — The two sisters sprawl in pantsuits on a sofa or flop onto floor-cushions. Well, these days, so do all women. Or as Mozart put it so lyrically: "Così fan tutte."

Giorgio Armani's modern romantic costumes will mark a double first when "Così" opens at the Covent Garden opera house on Wednesday: the first production that director Jonathan Miller has staged for Lodon's Royal Opera; and the Italian designer's first major effort on stage.

The set could be Armani's own Milan palazzo, with its blank, white walls and gauzy drapes with the hint of a Palladian structure behind. And out stroll the betrothed couples, casually dressed in pallid colors — the clothes mostly chosen off-the-rack from the Italian designer's current collections to blend with Miller's artistic vision of the updated opera.

"He wanted to do something modern, elegant with lots of atmosphere and poetry," says Armani. "And he wanted to get away from the traditional, Germanic Mozart. It is a mixture of costumes and modern tailoring, but I did nothing forced — it was in my spirit."

The result is vaguely coteremporary clothing that is both sharp — as in the scheming Doña Alfonso's luxurious tailoring — and soft in shell pink or washed-out blue crepe pants, an airy voile skirt or the wedding dresses with veils sprinkled with sequined raindrops.

A strategically-placed mirror in which the characters preen themselves is a witty take on what might have seemed a fashion parade; and women wearing the pants even gives a modern twist to the bitter-sweet opera. "I wanted to do something simple and abstract — I felt that I deserved a holiday from the 18th century," says Miller, who has already directed five versions of the Mozart opera, costumed from "David and Empress" to Elizabeth Vi-gabe-Lehrun, referring to French artists contemporary with the opera.

The choice of Armani was down to geography: as Miller walked through Covent Garden, the clothes in the windows of the Emporio Armani store beckoned him, suggesting "reticent costumes that didn't shout at you." With a concept that the set would look "like the interior of an Issey Miyake shop," Miller approached Armani last summer.

WORKING with costume coordinator Jackie Galloway, Armani picked or adapted outfits, and if the chorus of servants in anthracite suits look rather like a crowd at a downtown gallery opening, the worldly-wise maid Despina takes on a new feminist character in her pantsuit. The Albanian disguise, in which the young men attempt to seduce their betrothed to be- trayal, is transformed into an ethnic look from the Emporio Armani range.

"They are much more convincing designs than those Turkish Delight costumes," says Miller. "The young men look like boys out of the Gaza strip." The director's modernization of the cynical story includes the two engaged officers supposedly leaving for the Bosnian war in U.N. blue berets, with CNN cameramen in attendance.



Giorgio Armani fitting costumes for Jonathan Miller's "Così fan tutte."

Armani designs have hardly ever been seen on the stage. His only other opera was a minor production at La Scala 15 years ago. His forte is film (with a new Tom Cruise movie in the pipeline). Armani has costumed major Hollywood productions, but always with the aim of making clothes in character, rather than costumes. This was also his plan for "Così," which will go directly from Lodon to Rome.

"My idea is always for the clothes to glide by — and then for people to realize it was Armani," he says. "It would not have interested me to do 'Les Liaisons Dangereuses' — I would not be capable. I don't do opera because they are usually period productions, never modern. But with Jonathan Miller I felt inspired."

Miller believes that it will liberate the opera to place it in an abstract setting with just the occasional "sting" of contemporary experience. (That means a cellular

phone unfurled from a suit pocket, or a flash of modern war and medicine.) He says that he is "increasingly looking for that kind of design on stage," although in earlier Mozart productions, he used his profound cultural knowledge to base sets for "The Marriage of Figaro" on a mansion in the Loire district of France and the costumes on 18th century paintings of Chardin and Fragonard.

Armani will not be in Lodon to see the audience reaction to the first night, although he plans to see the opera during the weekend. He will instead be involved in another kind of theater — the presentation of his fall/winter men's collection in Milan. And in Miller's personal style of rumpled corduroy trousers, muleskin-style jackets and hairy sweaters, Armani claims to find fashion inspiration.

"It was a pleasure to work with a great director — and one who was so well dressed," he says.

Embroidery: A Family Affair

International Herald Tribune

PARIS — Keeping it in the family, embroiderer François Lesage and his two children are holding a joint show of their work. Beside the fantastic bunch-of-grapes creations for Yves Saint Laurent in haute couture by Lesage père are the rustic handwoven furniture fabrics with sophisticated decoration by his Madras-based son Jean-François. And the simple clothes, handcrafted accessories

and charming watercolors of daughter Marion. Jean-François sells his fabrics through interior decorators, and Marion already has a small Left Bank boutique. "It is good to have chromosomes that work in fashion and decoration," Lesage said, posing proudly with his offspring at Franck & Fils, the Paris store that is presenting the show (until Feb. 25). "It was very moving — not easy, but interesting," says Marion of the exhibition. —S.M.

ESCADA
in Paris
SALES ON WINTER COLLECTION
Marie-Martine
8, rue de Sèvres,
Paris 6th

CHESS

By Robert Byrne

MIGUEL Iliescas Cordoba beat Dean Hergott in the Copa Gobernador Tournament in Nueva Leon, Mexico.

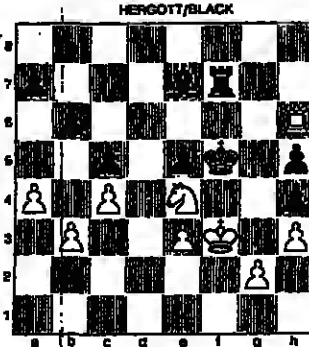
Positional players like to confront the hypermodern Pirc Defense with the calm, classical 3 Nf3 d6 4 Be2 Nf6 5 Ne3, which establishes a presence in the center without permitting the sharp counterattacks that 3 Nc3 d6 4 f4 Nf6 5 Nf3 c5 leads to.

The move 7 Bf4 is quietly provocative in giving Black some worries about how he should go about achieving the central advance...c5. He should, probably first get some more development with 7...Nbd7 8 Re1 Qa5. Hergott, however, was prompted to hurry with 7...Nh5 8 Be3 c5, but that let Iliescas accentuate his lead in mobilization with 9 d6! de 10 Qd8 Rd8 11 Rd1.

Iliescas said in Die Schachwoche that on 11...Re8, he would have played 12 Nd2! Nf4 13 Bf1 Ne6 14 Nc4 Nd4 15 Rd2, with clear superiority. He surely had in mind 15...Be6 16 f4!, which puts heavy pressure on the black center.

After 11...Rd1 12 Rd1 Nd7, Iliescas played 13 Ng5!, powerfully threatening 14 Bc4! Thus, 13...b6 14 Bb5 g6 was forced, but after 15 Nf3, the black kingside pawns were seriously weakened. The problem for Hergott now was that to defend his center, the king should be brought to e7, but this would leave the h6 pawn vulnerable to Nb4 followed by Nf5.

Iliescas mentioned that if Hergott had played 16...Nf6, he could have won a pawn with 17 Rd6 b6 18 Ne5 Ne4 19 Ne4 Be5 20 f4 Bc7 21 Re8 Kg6 22 Rg8



Position after 23...Rf7

K15 23 Ng3 Ke6 24 Nh5 Bb7 25 Ra8 Ba8 26 g4. Hergott should have tried 17...Be6, but after 18 Nf5 Kg6 19 Rd6, the threat would be 20 Ne2, 21 Ne3, 22 Nh4 and 23 Nh5. His defense with 17...Ng6 18 Nf5 Bf7? 19 e of Nb4 20 Rd7 Nf5 21 Rf7 Ne3 22 fe left the white pieces beautifully placed.

After 33...Rf7, Iliescas finished with a cute little combination: 34 g4! hg3 35 h4! Now, 35...Bb4 loses to 36 Nd6 Kg5 37 Nf7 and 35...Bf6 loses to 36 Nd6 Ke6 37 Nf7 Kf7 38 Kg3. Hergott overstepped the time limit and was forfeited.

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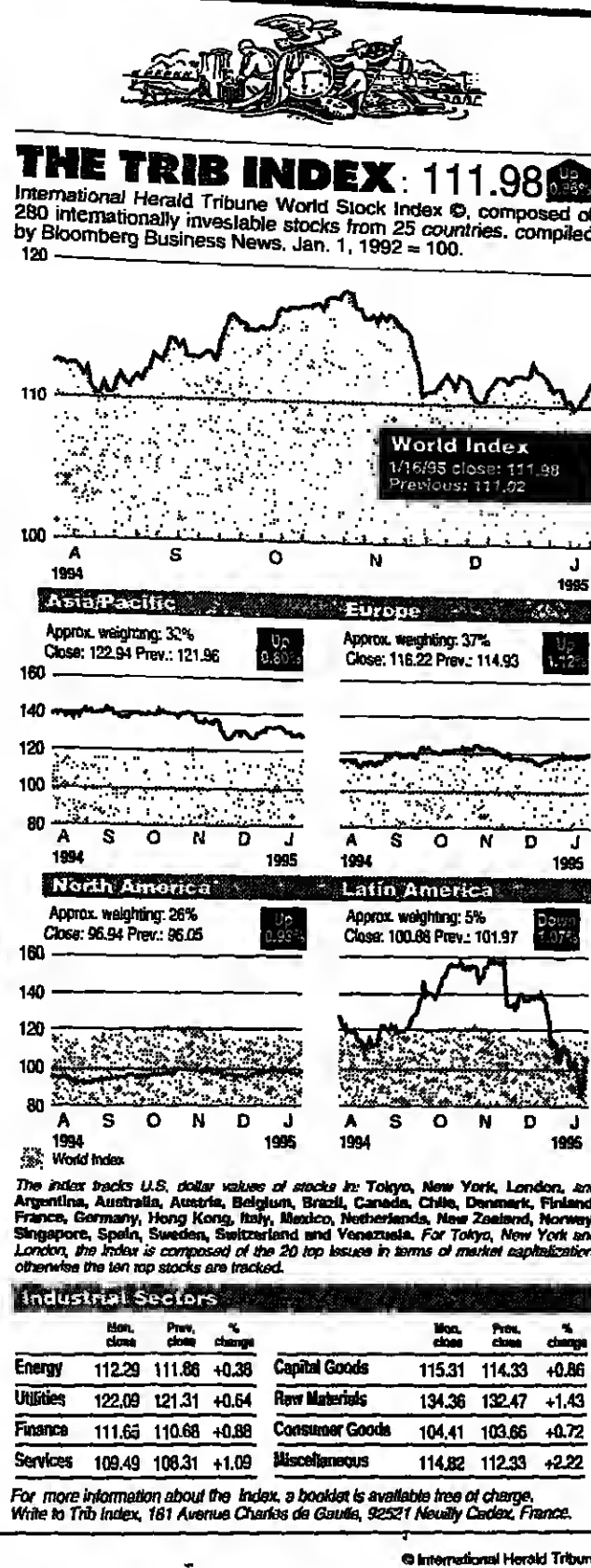
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Mexico Puts Aid To Test as It Tries To Cover T-Bills

MEXICO CITY — Mexico will put a massive U.S. support package to the test Tuesday when it tries to reverse its fortunes and roll over a new batch of dollar-denominated Treasury bills, known as Tesobonos.

For the last four weeks, Tesobono auctions have marked low points in investors' plummeting confidence in Mexico but analysts are hoping the U.S. support package of up to \$40 billion will turn the tide at this week's auction.

The Mexican stock market rallied Monday, with the Bolsa rising 18.91 points, to 2,335.46, up 0.85 percent. The peso also improved. The dollar fell 0.04 peso, to 3.44. A dollar bought 3.46 pesos before the crisis.

Politicians, including leading members of the ruling Institutional Revolutionary Party, criticized the government for using Mexico's oil receipts as collateral for the U.S. economic rescue package.

Fernando Solana, the chairman of the Senate Foreign Relations Committee, said legislators only learned of the collateral terms after they were made public in Washington.

"It concerns me because it deals with oil, because ultimately it's about future revenues," Mr. Solana said.

The seven sisters who control the world's oil — Exxon, British Petroleum and Texaco among them — are probably jumping for joy because now they have control over Mexican oil," said Jose Angel Conchello of the conservative National Action Party.

Finance Minister Guillermo Ortiz said that using oil revenue as collateral was common practice.

Tesobonos are denominated in dollars and are paid in pesos. Rates on the bills hit highs of 20 percent last week.

(Reuters, AFP)

Asia Tries to Restore Confidence Central Banks Intervene and Raise Rates to Lift Markets

HONG KONG — Central banks in Southeast Asia on Monday tried to calm their financial markets, which were affected by the financial crisis in Mexico and devaluation of the peso.

Southeast Asian central banks defended their currencies, and monetary authorities in the Philippines and Indonesia raised official discount rates, while Thailand continued to offer a special baht-dollar swap.

In Hong Kong, authorities succeeded in warding off speculators who might have considered the region's emerging markets as vulnerable as those in Latin America.

Asian currencies have been under attack after Mexico's devaluation of its currency. As a result, investors had lost confidence in many emerging market currencies in recent weeks.

"It looks like the central banks have completed their task — that is, to calm down the markets," said Eddie Tan, Citibank's vice president and foreign-exchange manager in Singapore.

"Now they may want to let fundamental rule the market again," he said.

The Philippine central bank raised the overnight lending rate to 9 percent from 8 percent to support its peso. "The bank made a determination to support the peso with everyone rushing out of pesos and into dollars," said Evan King, an analyst with Sapphire Securities. "It shows the central bank is determined to keep the peso within stated rates."

The Indonesian central bank raised its discount rate 50 basis points, to 15 percent for one-week loans Monday. Indonesia's monetary policy has long been aimed at controlled devaluation of the rupiah against the dollar. This makes Indonesian exports cheaper in their primary market, the United States.

The Thai central bank continued to offer a special baht-dollar swap. In this arrangement, the monetary authority said it would buy dollars for 25.04 baht and sell the dollars back a week later for 25.06 baht. This allows foreign banks to buy the local currency without risking a major devaluation.

"We are continuing the policy we introduced Friday of extending currency swaps to foreign branch banks," said Supote Kit-tisuwann, senior director of the banking department at the Bank of Thailand. "The objective is to assure our trading partners that we have no change in our existing policy and operations."

He said it was "too soon" for the central bank to stop the swap policy.

"There is some misunderstanding in the international markets, which has led to extra volatility," he said. "We have acted mainly to stabilize the market."

Mr. Tan said that the peso crisis had clearly shown the enormous muscle of Southeast Asian central banks. "Armed with excess reserves, the central banks have showed how quickly they could restore calm," Mr. Tan said.

Stocks in the Asia-Pacific region rebounded as the Mexican currency crisis and fears of an imminent increase in U.S. interest rates receded. But some traders said the gains were more of a technical rebound than an end to the uncertainty gripping the region's markets.

Tokyo markets were closed for a national holiday.

Traders said Friday's rally in the Dow Jones industrial average had eased fears that the Federal Reserve Board would raise interest rates this month.

In Australia, stocks posted their strongest gains in three weeks, buoyed by signs that growth in the U.S. might have slowed enough to avoid another increase in interest rates, traders said.

The benchmark All Ordinaries index rose 1.09 percent, to 1,879.1, its biggest gain since Dec. 28.

In Singapore, the Straits Times Industrial index rose 1.50 percent, to 2,107.39, amid signs that interest rates and regional currencies may be stabilizing.

In the Philippines, stocks ended a four-day slide as local investors said they were convinced the Mexican economic crisis would not hurt their country.

In Taipei, Taiwan share prices ended up 0.39 percent, at 6,536.65, on a mild technical rebound after recent plunges, brokers said.

In Bangkok, the SET index finished 4.05 points higher, at 1,252.64, on bargain-hunting in telecommunications and banking sectors in particular, brokers said.

Indian shares closed 1.61 percent higher on the Bombay bourse after recent heavy selling. The Bombay Stock Exchange 30-share index rose 57.90 points to finish at a provisional 3,661.56. (Bloomberg, Reuters)

Only Beijing Can Resolve Trade Dispute, U.S. Official States

HONG KONG — Despite a new proposal by China to narrow trade differences, a U.S. official said Monday that a trade war could be averted only if Beijing offers Washington an immediate "down payment" on pledges to improve protection of intellectual property rights.

"Whether we reach an agreement or not is up to China," the official said, two days before negotiators meet in Beijing in a last-ditch effort to settle a dispute that has clouded U.S.-Chinese relations for 18 months. "We are prepared to be flexible, but we must see our companies' intellectual property protected," he said. The official spoke on the condition he not be identified.

The official said Beijing had offered a proposal that narrowed the gap between the two sides, but that they remained far apart on many details.

"We welcome any steps from the Chinese to further protect intellectual property," he said, without detailing the new proposals. "Yet these actions still do not go to the heart of the problem."

Despite strong rhetoric that has included personal attacks on the lead U.S. negotiator, China has significantly softened its position since talks broke down in mid-December, the official said.

Washington has threatened to penalize \$2.8 billion in Chinese exports to the United States shortly after a Feb. 4 deadline to retaliate for Beijing's inability to halt the piracy of American entertainment and computer software and other intellectual property despite repeated requests.

Widespread disregard for copyright and patents and state-of-the-art compact-disk reproduction factories exporting to other countries in Asia cost American companies nearly \$1 billion in lost sales annually, the U.S. government says.

In response to what it sees as unwarranted interference in its domestic affairs, China has threatened to place sanctions on U.S. imports and to obstruct U.S. investment in key industries.

In a commentary published in the official China Daily newspaper Monday, the deputy director general of the National Copyright Administration, Shen Rengan, hailed the progress Beijing had already made in improving its intellectual property protection record.

"Some countries, turning a blind eye to rampant intellectual property piracy in their own countries, persist in criticizing other nations," he wrote. "Some even adopt aggressive policies on their trade with other nations as revenge. Such methods have no mutual benefit."

The U.S. is demanding that China:

- Immediately close compact-disk factories producing bootleg recording and computer software disks and initiate criminal prosecutions against their owners.
- Revamp legal and court procedures in the intellectual property area while empowering Chinese Customs offices to clamp down on exports of pirated materials.
- Open its markets to legitimate exports of U.S. entertainment and software goods.
- "We have unparalleled support on this negotiation from the new Congress and our industry," the U.S. official.

(AFP, AP)

Thinking Ahead / Commentary

Old Lines Reappear on Europe's Map

By Reginald Dale
International Herald Tribune

WASHINGTON — The European Union has begun its march to the East. By adding Finland, it has acquired a common frontier with Russia, and, through Austria, it is reaching deep into Central Europe.

Next, the EU will start absorbing former members of the Warsaw Pact, probably beginning with Poland, Hungary, the Czech Republic and Slovakia. Few people yet want to demarcate where it will stop.

Indeed, Americans often warn against drawing "new lines" on the map of Europe — especially as the EU's Eastern frontier is also likely to be NATO's — forgetting that history has already carved its own indelible traces.

In fact, with the Iron Curtain's demise, the ancient line dividing East and West is reappearing further east — and it is here that history suggests the EU's Eastern advance will end.

The line, stemming from the division of the Roman Empire between Rome and Byzantium, later became the boundary between Western and Orthodox Christianity. William Wallace of St. Antony's College, Oxford, sees it as the Eastern frontier of Western Christendom in 1500. Today it roughly marks the border of the Russian-dominated Commonwealth of Independent States, now struggling to form its own economic union as a rival to the EU — although parts of Belarus and the Ukraine fall on the line's Western side. This line has shaped Europe's destiny for centuries. Soviet Communism was the economic and spiritual heir of Byzantium's rigid rule. The Orthodox church missed the Renaissance and the Reformation, the foundation stones of the West's liberal economic and political system.

Mr. Wallace's line puts the Baltics in the West, and therefore ultimately in the EU. It then runs south through Western Belarus and Ukraine, along the Carpathians, turns sharply west in Romania and reaches the Adriatic between Bosnia and Croatia. The border zones are natural areas of ethnic tension.

Of course it is not an exact guide, especially in the Balkans. Although they will be difficult partners, Bulgaria and Romania will probably finish up inside the EU. Orthodox Greece is already a member. But Ukraine will probably either split along the line or remain fully inside the neo-Byzantine CIS economic union.

This is only one of Europe's ancient but still active boundaries. The EU's current West European members are still divided between north and south along the frontier of the Roman Empire.

The Latin countries of the former empire tend to be Catholic, protectionist, interventionist and authoritarian. The Germanic barbarians to the Empire's north have historically leaned towards Protestantism, free trade and concern for individual rights.

(Migration and colonial patterns subsequently extended this line westward across the Atlantic, where it settled on the Rio Grande).

Now, as Germany and other Northern countries look to the East, Europe's Latins are seeking to reconstitute the empire by forging new links with the former Roman provinces in North Africa and the Middle East.

It does not stop there. Some people in France are accusing Germany of seeking to recreate the ninth-century Frankish empire by proposing that a "hard core" of EU countries move ahead faster than others to economic and monetary union.

It is true that Bonn's "hard core" — Germany, France and the Benelux countries — bears an uncanny resemblance to Charlemagne's German-based empire. Anyone who thinks that such ancient history is no longer relevant should ponder this: The two countries that most stoutly resisted Charlemagne's attempts to introduce a common European coinage — England and Denmark — are still the toughest holdouts against a single currency nearly 1,200 years later.

No, Europe does not need new lines. It has more than enough old ones.

Paris Sees Hope for '97 Single Currency

BRUSSELS — France held out hope Monday that a majority of European Union nations would be ready to create a monetary union, with a single currency, as early as 1997.

Economics Minister Edmond Alphandery said eight of the 15 nations could meet the tough economic criteria of low inflation, budget deficits and interest rates.

Mr. Alphandery spoke during a meeting of Union finance ministers.

Hennin Christoffersen, the European commissioner for economic and financial affairs, said recent economic growth should help the nations in meeting the early target.

But the British chancellor of the exchequer, Kenneth Clarke, said he doubted the 1997 deadline "can remotely be achieved."

Nearly all EU nations are running hefty deficits in violation of merger criteria.

Finance Minister Theo Waigel of Germany said Bonn remains hostile to any move easing the restrictions. "We can only achieve monetary union objectives with strict budgetary discipline," he said.

Mr. Clarke and the Dutch finance minister, Gerrit Zalm, backed Mr. Waigel's opposition to easing the restrictions.

Mr. Alphandery said the ministers would move from September to June their annual review of each nation's overspending. "We all have to assume responsibility for reducing budget deficits," he said.

Outlining Paris's agenda for its EU presidency during the next six months, he said, "Our first priority is growth and employment."

(AFP, Reuters, Bloomberg)

Madrid Declares Peseta Crisis Over
Spain's finance minister said his country's currency had weathered speculation that drove its value down sharply last week. The Associated Press reported.

NBC-Turner Merger Fails Over Power

By Bill Carter
New York Times Service

NEW YORK — A planned merger of Turner Broadcasting System Inc. and NBC collapsed over the issue of control of the merged entity, after a meeting between John F. Welch Jr., the chairman of General Electric Co., which owns NBC, and Ted Turner, the chairman of Turner Broadcasting.

Both sides issued statements Sunday declaring that the proposed merger had been halted and attributing its failure to a disagreement about which side would have retained management control.

NBC executives expressed some hope that the talks could resume. But a Turner executive, who spoke on condition of anonymity, said, "The deal is just over," adding, "If they came into this never intending to turn over control of NBC, that was not articulated to us."

Robert Wright, the president of NBC, who also participated in the talks, said, "We held discussions that did not result in anything, because the nature of the proposal GE made transferred control to GE and that was unacceptable to Ted."

Mr. Turner could not be reached for comment.

An NBC executive, speaking on condition of anonymity, said Mr. Welch had over had any intention of parting with control of the network.

The Turner executive said it was pointless for GE to try to assume control because if Mr. Turner would be obligated to offer his company first to Tele-Communications Inc. and Time Warner Inc., which control his board of directors.

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NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of Shareholders of Fidelity Discovery Fund ("the Corporation") will be held at the registered office of the Fund in Luxembourg on Wednesday 15th February 1995 at noon to consider the following proposed amendments to the Articles of Incorporation:

AGENDA

- Deletion in paragraph 2 of article 22 of the Articles of Incorporation of the terms "in Luxembourg" in the two places where they appear.
- Amendment of the "Valuation Regulations", sub-paragraph B(ii) of article 22 of the Articles of Incorporation so that it reads as follows:
"(ii) the value of any bond, time note, share, stock, debenture stock, subscription right, warrant, option or other investment or security which shall be listed or dealt to upon any stock exchange shall be determined as at the time of valuation (as the Board of Directors may by resolution direct) on any Valuation Date by taking the last available closing price (or if there has been no sale, at the closing bid price) on the Valuation Date on the stock exchange that is normally the principal market for such security, all as reported by any means in common use or, if the Board so decides, at the last available price at the time when the valuation is carried out, or to event of emergencies or unusual circumstances regarding trading of such security, if the Corporation considers that such price does not reflect the fair market value thereof, it may substitute such figure as in its opinion represents the fair market value."
- Deletion in the "Valuation Regulations" Subparagraph E (a), E (b) and E (c) of Article 22 of the Articles of Incorporation of the terms "close of business" and replacement by the "time of valuation".

Subject to the limitations imposed by the Articles of Incorporation of the Fund with regard to ownership of shares by US persons or of shares which constitute in the aggregate more than three percent (3%) of the outstanding shares, each share is entitled to one vote. A shareholder may attend and vote at the meeting or may appoint a proxy to attend and vote. Such proxy need not be a shareholder of the Fund.

Shareholders are advised that a quorum of fifty percent of the shares outstanding of the Corporation present or represented is required in order to constitute a valid meeting and the resolutions must be carried by a majority of two-thirds of the shares at the meeting.

10th January 1995
By Order of the Board of Directors

MARKET DIARY

Stocks Extend Rally As Rate Fears Slip

Bloomberg Business News
NEW YORK — U.S. stocks rose Tuesday for a second day amid growing confidence that the Federal Reserve Board would be able to subdue inflation without throwing the economy into recession.

Banks, brokerage houses and utilities, all of which benefit from stable interest rates, led the gains.

The Dow Jones industrial average closed up 23.88 points, at 3,932.34, extending a 49.46-point rally on Friday. Stocks that rose outnumbered those that fell by two to one, mirroring the broad advance at the end of last week.

The advance began with the unexpected drop Friday to December retail sales, one of the first signs of a slowing economy since the Fed began raising interest rates nearly a year ago. The report spurred bets that the Fed might not raise rates this month, helping to ensure profits will grow and stocks will stay competitive with bonds.

"The slowdown in retail sales suggests the six tighteners the Fed has done so far have accomplished what they want," said Peter Canoni, managing director in charge of equities at Aetna Investment Management Inc.

"Maybe there's a possibility of a soft landing, and that's good for financial assets."

Volume on the Big Board totaled 314.82 million shares, off from 336.52 million on Friday. The board market, banks and government offices were closed Monday in honor of Martin Luther King Jr.'s birthday.

Among the banks, Mellon Bank rose 1/4 to 33. Citicorp gained 1/4 to 41. Chemical climbed 1/4 to 38 and First Interstate surged 2 1/2 to 73.

GTE rallied 1 1/4 to 31 1/4 amid optimism about the telephone company's international expansion into China and other regions.

BellSouth rose 1/4 to 55 1/4. The phone company picked up a share for its interactive television software, scrapping an agreement with Oracle Corp. whose stock fell 1/4 to 41 1/4. Sybase added 1 1/4 to 53 1/4.

Coca-Cola rose 1/4 to 50 1/4 after the company on Friday refuted speculation that it might buy Quaker Oats Co., the maker of oatmeal and the Gatorade beverage. Quaker tumbled 3 to 33 1/4, surrendering most of its 4 1/2 gain Friday.

Progress Software soared 6 1/4 to 47 after issuing better-than-expected results. Microsoft rose 1 1/4 to 64 1/4. IBM climbed 1 1/4 to 77 1/4, and Digital Equipment climbed 1 to 36 1/4.

Debate Over U.S. Data Leaves Dollar Weak

Bloomberg Business News
LONDON — The dollar slipped Monday in Europe against other major currencies amid nervousness about the release of U.S. production and plant-use reports.

The dollar fell to 1.5291 DM from 1.5353 DM on Friday and eased to 98.20 yen from 98.67 yen.

A strong increase in industrial production and capacity usage on Tuesday would increase the chances the Federal Reserve Board would take a more aggressive stance against inflation than traders currently expect and boost the dollar.

At the same time, dealers noted that an unexpected drop of 0.1 percent in retail sales in December that was reported on Friday had caused some investors to scale back the size of the rate rise they expected the Fed would next announce.

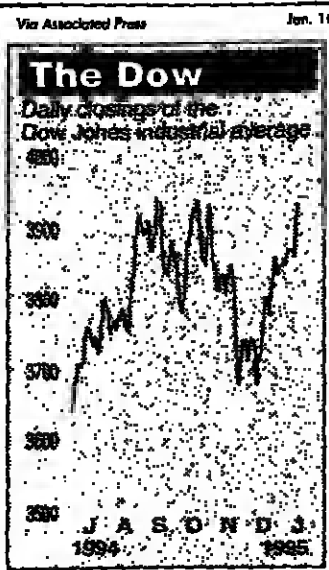
The U.S. currency had advanced early Monday against the mark early in the European

session amid expectations that the mark's retreat against other European currencies would give the dollar a boost, according to John Barry, trader at Creditanstalt Bankverein. But the dollar soon gave up its gains after traders started locking in profits when the U.S. currency failed to surpass its high on Friday near 1.5380 DM.

Against other currencies, the dollar slipped to 1.2845 Swiss francs from 1.2905 francs and to 5.2885 French francs from 5.3075 francs. The pound rose to \$1.5705 from \$1.5671.

In New York trading that was subdued because of the Martin Luther King holiday, the dollar fell slightly to close at 1.5313 DM in late trading, down from 1.5345 DM, and at 98.39 yen, down from 98.55 yen. The dollar was quoted at 1.2843 Swiss francs, down from 1.2890 francs, and at 5.2925 French francs, down from 5.2965 francs. The pound was unchanged at \$1.5685.

(Bloomberg, Reuters)



NASDAQ Most Actives

Symbol	Vol.	High	Low	Last	Chg.
Alcatel	1,012,419	49 1/4	48 1/4	48 3/4	+1 1/4
Amgen	301,119	17 1/4	17 1/4	17 1/4	0
Amgen	301,119	17 1/4	17 1/4	17 1/4	0
Amgen	301,119	17 1/4	17 1/4	17 1/4	0
Amgen	301,119	17 1/4	17 1/4	17 1/4	0

AMEX Most Actives

Symbol	Vol.	High	Low	Last	Chg.
Amgen	301,119	17 1/4	17 1/4	17 1/4	0
Amgen	301,119	17 1/4	17 1/4	17 1/4	0
Amgen	301,119	17 1/4	17 1/4	17 1/4	0
Amgen	301,119	17 1/4	17 1/4	17 1/4	0
Amgen	301,119	17 1/4	17 1/4	17 1/4	0

NYSE Most Actives

Symbol	Vol.	High	Low	Last	Chg.
Amgen	301,119	17 1/4	17 1/4	17 1/4	0
Amgen	301,119	17 1/4	17 1/4	17 1/4	0
Amgen	301,119	17 1/4	17 1/4	17 1/4	0
Amgen	301,119	17 1/4	17 1/4	17 1/4	0
Amgen	301,119	17 1/4	17 1/4	17 1/4	0

Market Sales

Market	Today	Prev.
NYSE	314.82	336.52
AMEX	11.74	11.74
NASDAQ	21.87	21.87

Dow Jones Averages

Index	Open	High	Low	Last	Chg.
Indus.	3914.57	3932.34	3914.57	3932.34	+23.88
Comp.	121.58	122.11	121.58	122.11	+0.53
Trans.	784.57	785.10	784.57	785.10	+0.53
Comp.	121.58	122.11	121.58	122.11	+0.53

Standard & Poor's Indexes

Index	High	Low	Close	Chg.
Indus.	1,012.41	1,012.41	1,012.41	+0.53
Comp.	121.58	121.58	121.58	+0.53
Trans.	784.57	784.57	784.57	+0.53
Comp.	121.58	121.58	121.58	+0.53

NYSE Indexes

Index	High	Low	Last	Chg.
Comp.	121.58	121.58	121.58	+0.53
Trans.	784.57	784.57	784.57	+0.53
Comp.	121.58	121.58	121.58	+0.53
Trans.	784.57	784.57	784.57	+0.53

NASDAQ Indexes

Index	High	Low	Last	Chg.
Comp.	121.58	121.58	121.58	+0.53
Trans.	784.57	784.57	784.57	+0.53
Comp.	121.58	121.58	121.58	+0.53
Trans.	784.57	784.57	784.57	+0.53

AMEX Stock Index

Index	High	Low	Last	Chg.
Comp.	121.58	121.58	121.58	+0.53
Trans.	784.57	784.57	784.57	+0.53
Comp.	121.58	121.58	121.58	+0.53
Trans.	784.57	784.57	784.57	+0.53

Dow Jones Bond Averages

Index	Open	High	Low	Last	Chg.
Indus.	3914.57	3932.34	3914.57	3932.34	+23.88
Comp.	121.58	122.11	121.58	122.11	+0.53
Trans.	784.57	785.10	784.57	785.10	+0.53
Comp.	121.58	122.11	121.58	122.11	+0.53

NYSE Diary

Index	High	Low	Last	Chg.
Comp.	121.58	121.58	121.58	+0.53
Trans.	784.57	784.57	784.57	+0.53
Comp.	121.58	121.58	121.58	+0.53
Trans.	784.57	784.57	784.57	+0.53

NASDAQ Diary

Index	High	Low	Last	Chg.
Comp.	121.58	121.58	121.58	+0.53
Trans.	784.57	784.57	784.57	+0.53
Comp.	121.58	121.58	121.58	+0.53
Trans.	784.57	784.57	784.57	+0.53

AMEX Diary

Index	High	Low	Last	Chg.
Comp.	121.58	121.58	121.58	+0.53
Trans.	784.57	784.57	784.57	+0.53
Comp.	121.58	121.58	121.58	+0.53
Trans.	784.57	784.57	784.57	+0.53

Spot Commodities

Commodity	Today	Prev.
Crude Oil	21.87	21.87
Gold	375.00	375.00
Silver	16.00	16.00
Copper	1.50	1.50

A Stellar Day for Major European Stock Markets

Bloomberg Business News
LONDON — U.K. stocks rose for a second consecutive day, as Friday's unexpected drop in December U.S. retail sales eased concerns about U.S. interest rates.

British stocks tracked gains in the United States, where the Dow Jones industrial average gained 20 points during London trading hours after rising 1.3 percent Friday to its highest level in over two months.

"The pressure's come off for putting up interest rates," said Christopher Clark, a strategist at

Credit Lyonnais Laing Securities Ltd. "It's the U.S. that's been driving interest rates higher."

The FT-SE 100 index of leading British stocks rose 28.4 points, to 3,076.7, led by BAT Industries, British Petroleum and Hanson, after rising 15.1 points on Friday. That left the index 11.2 points higher than it was at the end of 1994.

The Milan all-share Mibtel Index soared 4.5 percent, or 463 points, to 10,723. The narrower Mib30 Index was up 780 at 15,624.

Metals

Commodity	High	Low	Close	Chg.
Aluminum	1,012.41	1,012.41	1,012.41	+0.53
Copper	121.58	121.58	121.58	+0.53
Gold	375.00	375.00	375.00	0
Silver	16.00	16.00	16.00	0

Stock Indexes

Index	High	Low	Last	Chg.
Comp.	121.58	121.58	121.58	+0.53
Trans.	784.57	784.57	784.57	+0.53
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Financial

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3-MONTH EURO DOLLARS (LIBF)

Index	High	Low	Last	Chg.
Comp.	121.58	121.58	121.58	+0.53
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Session High	Session Low	Open	High	Low
Grains				
WHEAT (CBOT) 5,000 bu. min. max. 1/4¢				
4.26 1/4	3.27	Mar 95 3.75	3.82	3.75
3.98 1/4	3.14 1/4	May 95 3.63 1/2	3.67 1/2	3.61 1/2
3.63 1/2	3.11	Jul 95 3.44 1/2	3.48 1/2	3.41 1/2
3.45	3.09	Sep 95 3.19 1/4	3.21 1/4	3.16 1/4
3.75	3.49	Dec 95 2.99	3.02	3.06

Rising Rates Chill Investors On Rémy Stock

Compiled by Our Staff From Dispatches

PARIS — Shares in Rémy Cointreau SA, the French cognac maker, dropped Monday after a 5 percent increase in first-half pretax profit disappointed investors.

Rémy shares closed at 185 French francs (\$35), down 1.9 francs, after having fallen to a 52-week low of 175 francs. The company said pretax profit rose to 135 million francs (\$26 million) in the six months through September from 129 million francs previously.

"Overall, the results aren't as good as expected," said Philippe Suchet, an industry analyst at the Paris brokerage Transbourse. "The financial costs are much heavier than expected."

"They suffered from the rate hikes," said Edouard de Boisselin, an industry analyst at Merrill Lynch & Co. in London, referring to short-term interest rates. "The consensus forecast (for the full year) is going to come down," he said.

Rémy Cointreau also posted one-time gains of 52.2 million francs on the sale of assets, compared with 14.1 million previously. Rémy said it stood a good chance of reporting a rise in net profit for the full year.

The company's managing director, Marc Heriard Dubreuil, said Monday that profit growth in the year to March would be lower than the 20 percent the

company predicted in the summer. Rémy Cointreau had a net profit of 252 million francs in the year to March 1994, up 25 percent.

The company reports pretax profit for its half-yearly results and net profit for the full year. It also said sales rose 7.5 percent in the first nine months to December 1994, to 5.01 billion francs. Without exchange rate fluctuations, the sales increase would have been 9 percent.

Cognac sales were worst hit by currency fluctuations, notably by the weak dollar. Cognac sales rose 2.5 percent, but without the currency effect, the rise would have been 4.4 percent.

Sales of wines and spirits rose 14.8 percent, champagne sales rose 4.5 percent and sales of other-label spirits rose 9.3 percent. The company said sales of its Cointreau liqueur increased on the U.S. market, but the rise was not sufficient to offset a decline on European markets.

Sales of the Macallan single malt whisky, and the Famous Grouse blend, which are produced by the Highland Distilleries Co., and distributed by Rémy, both increased. Macallan in the United States particularly, and Famous Grouse in "several countries."

Rémy said fourth-quarter sales would depend largely on sales in Asia for the Chinese New Year and on currency fluctuations. (Bloomberg, AFP)

America the Beautiful European Funds Treasure Treasuries

By Hugh Ridder

PARIS — European bond-fund managers, many of whom took a beating with U.S. Treasuries in 1994, are gradually returning to the American market.

The reason is that, for many, U.S. bonds have regained favor amid hope that U.S. economic expansion will slow and will achieve a so-called soft landing.

Indeed, some money managers say a host of signs now suggest that the U.S. Federal Reserve Board's aggressive rate increases of 1994 are finally beginning to bite, and that market expectations for further moves in 1995 will gradually fade in the weeks and months ahead. Such recent signs include weaker-than-expected U.S. economic growth data, such as Friday's report of an 0.1 percent fall in U.S. retail sales in December.

In addition, the Mexican crisis as well as the bankruptcy problems in Orange County, California have highlighted the serious risk posed by further Fed rate hikes, some fund managers said.

While many money managers still expect the Fed to raise rates by 50 basis points this month, late January, some now say that U.S. rates in 1995 could rise by less than half the 150 to 200 basis points that U.S. short-term markets are discounting.

Georg Inderst, assistant chief investment officer at Foreign & Colonial fund management in London, said that the Fed "re-established its anti-inflationary credibility" with its November rate increase and that his firm is planning to increase its holdings of U.S. Treasuries.

Mr. Inderst said he expected the U.S. economy to land softly in 1995.

Rudolf Chomrak, managing director at the DIT and DBE fund-management groups, both of which are subsidiaries of Dresdner Bank AG, said that more than half of his international fixed-income funds are currently parked in the dollar bloc — the United States, Australia, New Zealand and Canada — with 33 percent in the U.S. market.

"These markets may perform best in the first quarter," Mr. Chomrak said, "they are more mature in the interest-rate cycle." "And the U.S. dollar should stay firm, rising to 1.65 Deutsche marks, maximum, in the first half of the year."

Some managers say that turbulence in emerging markets sparked by the Mexican currency crisis should help keep the U.S.

Many European fixed-income portfolios ended 1994 underweight in U.S. bonds, expecting a sharp rise in American interest rates.

dollar firm in early 1995 as Western investors abandon high-yielding securities for the relative safety of more mature markets.

Moreover, many European fixed-income portfolios ended 1994 underweight in U.S. bonds and overweight in mark-bloc countries because of expectations of a sharp rise in U.S. rates in late December.

Steven Iltot, a bond-fund manager at London-based Robert Fleming Securities Ltd., said his firm's decision to increase its exposure to the United States was more a "neutralizing move" to correct an overweighting in European markets that carried over from 1994.

Among European markets, most fund managers surveyed said that defensive postures adopted in 1994 toward developing markets such as Italy and Spain have generally been reinforced by events in 1995.

Mr. Iltot said that the volatility of Italian, Swedish and Spanish markets could offer opportunities to trade but that, strategically, they were still "bad news."

BCH Likely To Report Income Slide

Bloomberg Business News

MADRID — Banco Central Hispanoamericano SA could face a 50 percent drop in pretax profit for 1994, but analysts said Monday that investors were braced for the results.

Banco Central Hispanoamericano is Spain's biggest privately owned bank. Its problems are thought to stem from the 1991 merger of Banco Central and Banco Hispanoamericano, which left the bank with too many branches and managers.

The Spanish daily El Mundo reported Monday that a Bank of Spain audit of the bank showed 1994 pretax profit fell to 30 billion pesetas (\$224 million) from 64.5 billion in 1993. That takes into account 50 billion pesetas in extraordinary income from the sales of assets, mainly its industrial holdings.

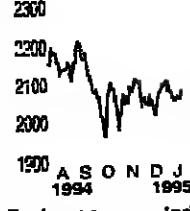
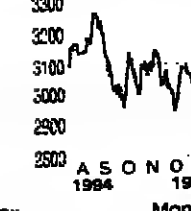
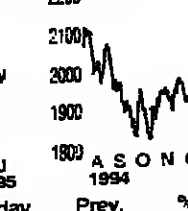
A bank executive said the results had not been calculated.

"The results will be within a certain range, but I can assure you we will not renounce our efforts to clean up the bank's balance sheet just to post better results," a spokeswoman said.

Banco Central Hispano expects to report its results in late January or early February.

The projected fall in earnings reported Monday was greater than most earlier predictions, but it caused little concern. Banco Central shares ended 5 pesetas higher, at 3,020 pesetas.

The bank's net profit had been sliding throughout 1994. Net profit fell 12 percent in the first quarter, 20 percent in the first six months.

Investor's Europe					
Frankfurt DAX		London FTSE 100 Index		Paris CAC 40	
					
A S O N D J 1994 1995		A S O N D J 1994 1995		A S O N D J 1994 1995	
Exchange	Index	Monday Close	Prev. Close	% Change	
Amsterdam	AEX	415.38	412.61	+0.67	
Brussels	Stock Index	7,127.32	7,103.71	+0.33	
Frankfurt	DAX	2,085.54	2,055.62	+1.46	
Frankfurt	DAX	776.47	769.87	+1.12	
Helsinki	HEX	1,889.88	1,887.23	+0.14	
London	Financial Times 30	2,366.80	2,346.80	+0.84	
London	FTSE 100	3,076.70	3,048.30	+0.93	
Madrid	General Index	282.56	278.11	+1.60	
Milan	MBTEL	10724	10240	+4.73	
Paris	CAC 40	1,872.81	1,853.98	+1.02	
Stockholm	SX 16	1,812.68	1,599.43	+0.83	
Vienne	ATX Index	1,029.75	1,026.78	+0.29	
Zurich	SBS	914.98	916.91	-0.21	
SE		International Financial Times			

Monday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

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108	100	100	100	100	100	100	100
109	100	100	100	100	100	100	100
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IN THE NEW YORK TIMES AND THE WASHINGTON POST

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Statistics May Never Lie, but They Increasingly Mislead in America

By Robert D. Hershey Jr.
New York Times Service

WASHINGTON — Federal statisticians have begun the most ambitious effort since the late 1950s to remedy mounting deficiencies in measuring America's economic performance.

Government and private analysts said the statistical system increasingly fails to capture the numbing array of new technologies and structural changes to today's \$7 trillion economy. Indeed, it is widely believed that government tax and spending policies along with monetary regulation by the Federal Reserve Board have been affected by misleading data.

For example, had the "true severity" of the 1990-1991 recession been known earlier, the Council of Economic Advisers wrote in January 1993, "policy might have been conducted in a different fashion" to more aggressively counter it.

Alan Greenspan, the Fed chairman, told Congress last week that the consumer price index overstates inflation by as much as 1.5 percentage points.

With Social Security and other entitlement spending as well as adjustments in tax brackets pegged to the inflation rate, Republicans in Congress were quick to seize on the corollary — by changing the index's formula, they could free \$150 billion over the next five years without a single specific budget cut.

The private sector is also frustrated by various government figures. "When you read that capacity utilization is close to its historic maximum, that doesn't mean much of anything," said Vlad Catto, chief economist at Texas Instruments Inc., referring to a widely followed gauge of inflation potential calculated by the Fed.

Officials responsible for federal statistics — which cost taxpayers \$2.6 billion a year to amass — acknowledged the gaps and distortions and said they were working hard on improvements in a climate of rapid economic shifts and tight budgets for data collection.

Having last week formally identified gaps and shortcomings, the Commerce Department is to decide in the next several weeks which statistics most urgently need repairs and will recommend specific remedies. In March, the department plans a meeting where statisticians users whose views will be incorporated in the plan.

The Labor Department, which sweeping updated its monthly employment report last year, is well along with an overhaul of the consumer price index, which would take effect in January 1998. By June it plans to switch methodology to increase the accuracy of the closely scrutinized tabulation of payrolls by telling states which establishments to survey in-

stead of giving them industry quotas.

"Our statistical system can only meet the expectations of its users by changing as rapidly as the economy it measures," said Everett M. Ehrlich, undersecretary for economic affairs at the Commerce Department, in announcing just before Christmas the review of its national income and product accounts, which make up the gross domestic product. This is the set of figures, created in the late 1920s when goods were more important than services, that provides quarterly totals of economic activity and the degree to which it is expanding or contracting. The Commerce Department and the Labor Department are the government's chief purveyors of nonagricultural statistics.

The struggle to keep up, Mr. Ehrlich said, means adapting to "the changing composition of the economy, the implications of technological progress, the greater level of global economic integration and a variety of other

forces that affect what we measure and how we measure it."

The problems cited by Mr. Greenspan and the others do not mean that the policies that follow from the statistics are topsy-turvy. Mr. Greenspan, for instance, did not say that he was conducting monetary policy on the assumption that inflation might be only half the rate published by the Labor Department. But others said they believed the overstatement has at least some effect on the central bank.

"It probably leads to slightly tighter monetary policy," said William D. Nordhaus, an economics professor at Yale University. Benefit programs linked to inflation are "surely" overgenerous, said Mr. Nordhaus, who has pioneered development of alternative ways to measure national income.

So far, according to private analysts and a Commerce Department review team that published its findings on Wednesday, the official figures still reliably tell in which direction

the economy is moving, whether the pace is accelerating or decelerating and whether it is high or low relative to the trend.

But these accounts involving total output of goods and services are not capturing the full effect of such things as computer software, securities-market derivatives that vault international boundaries and advances in telecommunications technology that defy attempts at adjustment for higher quality and lower prices.

The traditional metaphor of the gross domestic product as the bottom line on a cash-register tape tallying a shopping cart full of toasters, haircuts, Cheerios and gallstone surgery "is becoming evermore inappropriate," Mr. Ehrlich said.

Joseph W. Duncan, an economist at Dun & Bradstreet Corp. who was formerly chief statistician at the Office of Management and Budget and at the Commerce Department, said: "Conceptually is where we have the trouble."

He pointed, for example, to

Wall Street financial advisers working on deals abroad. "They are to effect exporting U.S. know-how, but that doesn't get measured," Mr. Duncan said.

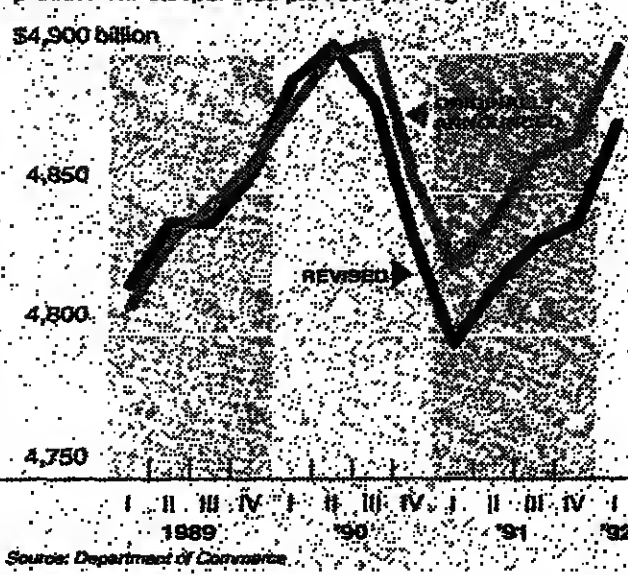
Related to the problem of constructing the right kind of statistical net is the frequency with which figures must be significantly revised. On Friday, for example, a big downward adjustment in retail sales for November contributed to a mood swing that prompted one Wall Street house to declare that "the Commerce Department stole Christmas."

Economists at S.G. Warburg & Co. added: "If the latest retail sales readings are anywhere near accurate, which we doubt, then they put a very different light on the momentum of the economy at year's end."

Such skepticism came despite the Commerce Department's warning that the first sales results for each month are based on a small subsample of retailers, causing a large margin for error, and are thus subject to sizable revision.

U.S. Recession Revision

Revised figures released on the recession of 1990-91 show that the decline in quarterly real gross domestic product was steeper than previously thought.



Source: Department of Commerce

The New York Times

FIDELITY FAR EAST FUND

Société d'Investissement à Capital Variable
Kansallis House - Place de l'Etoile
L-1021 Luxembourg
R.C. Luxembourg B 16.926

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of Shareholders of Fidelity Far East Fund ("the Corporation") will be held at the registered office of the Fund in Luxembourg on Wednesday 15th February 1995 at noon to consider the following proposed amendments to the Articles of Incorporation:

AGENDA

1. Deletion in paragraph 2 of article 24 of the Articles of Incorporation of the terms "in Luxembourg" in the two places where they appear.
2. Deletion in article 24 paragraph 5 of the two references to "close of business" and replacement in the first instance by the words "time of valuation (as the Board of Directors may by resolution direct)" and in the second instance by the words "time of valuation".
3. Amendment of the "Valuation Regulations", sub-paragraph B(ii) of article 24 of the Articles of Incorporation so that it reads as follows:
"(ii) the value of any bond, time note, share, stock, debenture stock, subscription right, warrant, option or other investment or security which shall be listed or dealt in upon any stock exchange shall be determined as at the time of valuation (as the Board of Directors may by resolution direct) on any Valuation Date by taking the last available closing price (or if there has been no sale, at the closing bid price) on the Valuation Date on the stock exchange that is normally the principal market for such security, all as reported by any means in common use or, if the Board so decides, at the last available price at the time when the valuation is carried out, or in event of emergencies or unusual circumstances regarding trading of such security, if the Corporation considers that such price does not reflect the fair market value thereof, it may substitute such figure as in its opinion represents the fair market value".
4. Deletion in the Valuation Regulations Subparagraph D, F (a), F (b) and F (c) of the terms "close of business" and replacement by the words "time of valuation".

Subject to the limitations imposed by the Articles of Incorporation of the Fund with regard to ownership of shares by US persons or of shares which constitute in the aggregate more than three percent (3%) of the outstanding shares, each share is entitled to one vote. A shareholder may attend and vote at the meeting or may appoint a proxy to attend and vote. Such proxy need not be a shareholder of the Fund.

Shareholders are advised that a quorum of fifty percent of the shares outstanding of the Corporation present or represented is required in order to constitute a valid meeting and the resolutions must be carried by a majority of two-thirds of the shares at the meeting.

10th January 1995
By Order of the Board of Directors



FIDELITY GLOBAL SELECTION FUND

Société d'Investissement à Capital Variable
Kansallis House - Place de l'Etoile
L-1021 Luxembourg
R.C. Luxembourg B 27.223

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of Shareholders of Fidelity Global Selection Fund ("the Corporation") will be held at the registered office of the Fund in Luxembourg on Wednesday 15th February 1995 at noon to consider the following proposed amendments to the Articles of Incorporation:

AGENDA

1. Deletion in paragraph 2 of article 22 of the Articles of Incorporation of the terms "in Luxembourg" in the two places where they appear.
2. Deletion in article 22 paragraph 5 of the two references to "close of business" and replacement in the first instance by the words "time of valuation (as the Board of Directors may by resolution direct)" and in the second instance by the words "time of valuation".
3. Amendment of the "Valuation Regulations", sub-paragraph (2) (b) of article 22 of the Articles of Incorporation so that it reads as follows:
"(ii) the value of any bond, time note, share, stock, debenture stock, subscription right, warrant, option or other investment or security which shall be listed or dealt in upon any stock exchange shall be determined as at the time of valuation (as the Board of Directors may by resolution direct) on any Valuation Date by taking the last available closing price (or if there has been no sale, at the closing bid price) on the Valuation Date on the stock exchange that is normally the principal market for such security, all as reported by any means in common use or, if the Board so decides, at the last available price at the time when the valuation is carried out, or in event of emergencies or unusual circumstances regarding trading of such security, if the Corporation considers that such price does not reflect the fair market value thereof, it may substitute such figure as in its opinion represents the fair market value".
4. Deletion in the Valuation Regulations Subparagraph 4, 6 (a), 6 (b) and 6 (c) of the terms "close of business" and replacement by the words "time of valuation".

Subject to the limitations imposed by the Articles of Incorporation of the Fund with regard to ownership of shares by US persons or of shares which constitute in the aggregate more than three percent (3%) of the outstanding shares, each share is entitled to one vote. A shareholder may attend and vote at the meeting or may appoint a proxy to attend and vote. Such proxy need not be a shareholder of the Fund.

Shareholders are advised that a quorum of fifty percent of the shares outstanding of the Corporation present or represented is required in order to constitute a valid meeting and the resolutions must be carried by a majority of two-thirds of the shares at the meeting.

10th January 1995
By Order of the Board of Directors



FIDELITY WORLD FUND

Société d'Investissement à Capital Variable
Kansallis House - Place de l'Etoile
L-1021 Luxembourg
R.C. Luxembourg B 9.497

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of Shareholders of Fidelity World Fund ("the Corporation") will be held at the registered office of the Fund in Luxembourg on Wednesday 15th February 1995 at noon to consider the following proposed amendments to the Articles of Incorporation:

AGENDA

1. Deletion in paragraph 2 of article 24 of the Articles of Incorporation of the terms "in Luxembourg" in the two places where they appear.
2. Deletion in article 24 paragraph 5 of the two references to "close of business" and replacement in the first instance by the words "time of valuation (as the Board of Directors may by resolution direct)" and in the second instance by the words "time of valuation".
3. Amendment of the "Valuation Regulations", sub-paragraph B(ii) of article 24 of the Articles of Incorporation so that it reads as follows:
"(ii) the value of any bond, time note, share, stock, debenture stock, subscription right, warrant, option or other investment or security which shall be listed or dealt in upon any stock exchange shall be determined as at the time of valuation (as the Board of Directors may by resolution direct) on any Valuation Date by taking the last available closing price (or if there has been no sale, at the closing bid price) on the Valuation Date on the stock exchange that is normally the principal market for such security, all as reported by any means in common use or, if the Board so decides, at the last available price at the time when the valuation is carried out, or in event of emergencies or unusual circumstances regarding trading of such security, if the Corporation considers that such price does not reflect the fair market value thereof, it may substitute such figure as in its opinion represents the fair market value".
4. Deletion in the Valuation Regulations Subparagraph D, F (a), F (b) and F (c) of the terms "close of business" and replacement by the words "time of valuation".

Subject to the limitations imposed by the Articles of Incorporation of the Fund with regard to ownership of shares by US persons or of shares which constitute in the aggregate more than three percent (3%) of the outstanding shares, each share is entitled to one vote. A shareholder may attend and vote at the meeting or may appoint a proxy to attend and vote. Such proxy need not be a shareholder of the Fund.

Shareholders are advised that a quorum of fifty percent of the shares outstanding of the Corporation present or represented is required in order to constitute a valid meeting and the resolutions must be carried by a majority of two-thirds of the shares at the meeting.

10th January 1995
By Order of the Board of Directors



FIDELITY FRONTIER FUND

Société d'Investissement à Capital Variable
Kansallis House - Place de l'Etoile
L-1021 Luxembourg
R.C. Luxembourg B 20.494

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of Shareholders of Fidelity Frontier Fund ("the Corporation") will be held at the registered office of the Fund in Luxembourg on Wednesday 15th February 1995 at noon to consider the following proposed amendments to the Articles of Incorporation:

AGENDA

1. Deletion in paragraph 2 of article 24 of the Articles of Incorporation of the terms "in Luxembourg" in the two places where they appear.
2. Deletion in article 24 paragraph 5 of the two references to "close of business" and replacement in the first instance by the words "time of valuation (as the Board of Directors may by resolution direct)" and in the second instance by the words "time of valuation".
3. Amendment of the "Valuation Regulations", sub-paragraph B(ii) of article 24 of the Articles of Incorporation so that it reads as follows:
"(ii) the value of any bond, time note, share, stock, debenture stock, subscription right, warrant, option or other investment or security which shall be listed or dealt in upon any stock exchange shall be determined as at the time of valuation (as the Board of Directors may by resolution direct) on any Valuation Date by taking the last available closing price (or if there has been no sale, at the closing bid price) on the Valuation Date on the stock exchange that is normally the principal market for such security, all as reported by any means in common use or, if the Board so decides, at the last available price at the time when the valuation is carried out, or in event of emergencies or unusual circumstances regarding trading of such security, if the Corporation considers that such price does not reflect the fair market value thereof, it may substitute such figure as in its opinion represents the fair market value".
4. Deletion in the Valuation Regulations Subparagraph D, F (a), F (b) and F (c) of the terms "close of business" and replacement by the words "time of valuation".

Subject to the limitations imposed by the Articles of Incorporation of the Fund with regard to ownership of shares by US persons or of shares which constitute in the aggregate more than three percent (3%) of the outstanding shares, each share is entitled to one vote. A shareholder may attend and vote at the meeting or may appoint a proxy to attend and vote. Such proxy need not be a shareholder of the Fund.

Shareholders are advised that a quorum of fifty percent of the shares outstanding of the Corporation present or represented is required in order to constitute a valid meeting and the resolutions must be carried by a majority of two-thirds of the shares at the meeting.

10th January 1995
By Order of the Board of Directors



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Herald Tribune

SPORTS

Mader Wins A Very Close Super-G Race

The Associated Press

KITZBUHEL, Austria — Günther Mader gained his 11th World Cup victory Monday by winning a men's super-G race.

Mader was timed in 1 minute, 21.52 seconds, just .03 second ahead of Peter Runggaldier of Italy. Third was Mader's Austrian teammate, Armin Assinger, clocked in 1:21.70.

With the victory, Mader moved into second place in the overall standings, but far behind Alberto Tomba.

"It was a demanding course but no matter what you do, a win in Kitzbühel is good," said Mader, who has won points in all five disciplines this season.

He has been consistently in the top 15 this season in downhill and giant slalom, and came in second in the combined downhill-slamon results on Sunday.

Patrick Ortlieb of Austria, who won the season's first super-G, nearly five weeks ago, clipped a gate and was eliminated after being near Mader's time midway down the course.

"I had a chance to win and risked everything," Ortlieb said. The Olympic downhill champion, Tommy Moe of the United States, finished ninth. He was the only racer to place in the top 10 in both downhill and the super-G that were raced this time at Kitzbühel.

Luc Alphand of France, who won both of Saturday's downhill races, came in 15th.

Almost 1.5 meters (60 inches) of snow forced organizers to run two downhill on the same day, a first for the World Cup circuit.

For the past three days, however, the weather has been bright, sunny and cold with nearly perfect course conditions for the five events.

The men now go to Wengen, Switzerland, for two more downhill, a slalom and combined.

The women's next races are in Cortina d'Ampezzo, Italy, with two downhill and a giant slalom scheduled for the weekend.



Jim Courier, sporting longer locks, made short work of David Rikl of the Czech Republic, winning by 6-4, 6-0, 7-6 (7-2).

Dickson's Boat: Leaner, Maybe Meaner

By Barbara Lloyd

New York Times Service

SAN DIEGO — It's a classic sight in America's Cup racing: bright skies, rolling seas and sailors sitting like ducks in a row on the high side of a sailboat. But if New Zealand's TAG Heuer Challenge succeeds here, those stylized ducks could be over.

The team's new shark-gray boat sailed here for the first time Sunday in the Louis Vuitton Cup challenge trials, before rough seas forced a halt in racing on Monday.

The syndicate, led by Chris Dickson, has taken a more radical slant on design than any other team. And it appears to have paid off. The yacht, yet unnamed, beat Nippon 94 by 37 seconds.

Instead of sitting on the rail on upwind legs, this crew bunks down in the bowels of the boat, like teammates on a four-man bobsled. Only the afterguard, Dickson and his tactician and navigator, stand tall.

"We've tested long, skinny boats and short, wide boats," Dickson said at the 75-foot (22.8-meter) yacht's christening last week. "What we ended up with is a boat that Bruce Farr thinks is right, what I feel is right, and what the tank tests feel is right."

The TAG Heuer yacht does look different. It was designed by Bruce Farr &

Associates, a naval architecture firm in Annapolis, Maryland. Farr, a native New Zealander, is known for creating the fastest sailboats in major grand prix regattas around the world. But he has yet to produce an America's Cup winner.

"All the shapes go through Bruce's knowledge of how boats go through the water," said Russell Bowler, a Farr associate in Annapolis. "The boat looks businesslike. But we'll see how beautiful it is after some racing."

While none of the America's Cup designers will give away secrets, New Zealand's sailboat looks skinnier than any other contender here. The deck width of an International America's Cup Class yacht is not allowed to exceed 18 feet, but it is likely that New Zealand's pared-down hull is closer to 14 feet wide.

From its bow on, the craft looks more like half of a catamaran than a monohull. Its plumb bow sits straight up from the water, rather than being angled forward as with other yachts. And it's so thin at the front that the bow's leading edge looks as if it could slice a side of beef.

David Pedrick, the chief designer for Dennis Conner's Stars & Stripes 95, said that all the new boats for the 1995 cup

appear to be following a trend for narrow hulls. The change comes from a switch in the course, which for 1995 has eliminated the Z-shaped reaching legs.

The wider boats of the 1992 cup races took into account the reaching legs, where big, powerful sails were developed to improve speed on what was essentially a drag race to the mark. Fuller, wider boats meant more stability.

But in boat design, an advantage for one point of sail may be a drawback for another. Other designers have chosen the high ground, opting for less radical designs that may be better in a wider band of winds.

Grant Simmer, design coordinator for Fluid Thinking, the firm that developed the yacht oneAustralia, estimates that the TAG Heuer boat might be fastest in light winds, perhaps seven to eight knots. It may lose its efficiency in anything over 13 knots.

In other challenger races Sunday, Black Magic 2 of New Zealand beat France 2 by 2-40, while Sydney 95 of defeated Rioja de España by 3-43.

In the defenders' trials, PACT 95's new yacht, Young America, defeated America 3 by 37 seconds. It was Young America's first race after sustaining serious damage two weeks ago during a severe windstorm.

Sampras Sends Warning: No. 1's Better Than Ever

Compiled by Our Staff From Dispatches

MELBOURNE — With one sublime sequence of shots and several well-chosen words, Pete Sampras issued a warning Monday to any pretenders to his Australian Open crown and No. 1 ranking.

Consider this display in a 6-3, 6-2, 6-0 victory over Gianluca Pozzi during the first round: Sampras darted to his right for a forehand volley and whirled to his left to put away a backhand volley for one point, served an ace up the middle for the second point, dropped in a feathery half-volley for the third point and drove a backhand deep to take the game at love.

Sampras could do anything he wanted, and usually did, against the No. 95-ranked Pozzi, whose soft game is more suited to clay courts. But in case any higher-ranked rivals weren't watching, Sampras reiterated his intentions few minutes later.

"Winning... walking away from here defending my title," he said. "Anything less is not good enough. I'm at the point that either you win it or you don't. I've been on both sides of winning majors and losing the finals, and there's a huge difference. Nobody remembers who comes in second."

To that end, he said, he is still working to improve his game, trying to serve and volley on his second serve for the first time in his career, chip and charge a little, mix things up to keep an opponent guessing.

"The last thing I want to do is be predictable, so the guy knows where I'm going all the time," Sampras said. "It's something I want to work on to add to my game."

The injuries that nagged him last summer, after he won Wimbledon again, have healed. But his main rivals have improved, too, notably Andre Agassi, who surged from a low of No. 32 to No. 2 by year's end after winning the U.S. Open, and Boris Becker, back up from No. 11 to No. 3.

There is two-time Australian champion Jim Courier, hoping to enjoy the game at last as he works his way back up the rankings from No. 9. He beat David Rikl of the Czech Republic, 6-4, 6-0, 7-6 (7-2).

And there is No. 5 Michael Chang, who got a psychological boost by beating Sampras in straight sets in the final of an exhibition Saturday.

Chang got off to a rocky start in the Open with a 6-2, 6-4, 5-7, 6-2 victory over Australian Paul Kilderry, a wild-card entrant who is ranked 187.

No. 7 Michael Stich, who lost in the first round last year, beat Jeff Tarango of the United States, 6-3, 6-1, 6-3.

Stich served 16 aces and said a six-week break "did me good. I feel better than last year. I'm more relaxed, more recharged and fresher."

No. 6 Stefan Edberg, top-ranked in 1990 and 1991, was nearly sent packing before topping 18-year-old Australian Mark Philippoussis, 4-6, 6-3, 7-6 (7-1), 7-5.

"He was hitting so hard I couldn't even react to some of his shots," Edberg said. "He's as powerful as you're going to get. He should be proud of himself."

Former finalists Mats Wilander and Pat Cash were both beaten.

In the top women's matches, Wimbledon champion and No. 2 Conchita Martinez beat Barbara Rittner 6-3, 6-2, and No. 4 Mary Pierce beat Tina Krizan, 6-1, 6-0.

Martina Hingis, the 14-year-old from Switzerland, won her first match in a Grand Slam tournament, beating Jelene Watanebe of the United States, 6-0, 7-6 (7-2). Hingis won the first set in just 19 minutes, yielding only 11 points.

Courier, who now comes with curiosity, strawberry-red locks instead of a crew cut, also unveiled a no-nonsense attitude to replace the demeanor that grew more surly as he drifted from No. 1 to No. 13 during 1994.

Speaking of the pressures of the tour, he said, "I have to go to the beach more often. Unfortunately, I don't get tanned, but I have to go anyway."

"I always, deep down, love the game, but I think there is always a fluctuation," he said. "It's always a lot more fun when you are winning. It's human nature. It's certainly my nature. But I also enjoy the fight."

"I'm trying to get back up the mountain. It's a lot more fun going up the mountain than trying to stay on top of it."

(AP, Reuters)



Martina Hingis breezed through her opener, but was ambushed by autograph seekers.

A Long Road Ahead

International Herald Tribune

LONDON — There is no off-season in tennis. The sport goes on vacation for three weeks over Christmas and expects everyone to return refreshed and ready to work.

No doubt this has helped build the Australian Open which, logically, should have the best tennis of the year. The French Open is more famous, but a lot of the best players feel emasculated by the clay there; three weeks later at Wimbledon they vent those frustrations with serves and volleys hum-drum in their violence like a Shaquille O'Neal with a racket. Then by the U.S. Open it's September, the hard court is hardest on the legs and the best days for the year might well be behind a player.

This isn't a perfect argument on behalf of Australia, as Stefan Edberg can be remembered peaking beautifully at the U.S. Open not too long ago. But as the game's recently dominant players — Pete Sampras and Jim Courier — have grown into the No. 1 ranking, they've played best in the first half of the year. Others are permitted to coast every now and then, but anyone who reaches No. 1 is less likely to allow himself the occasional easy day. He can be eaten up by his own desire.

There have been a lot of times where I've over-trained and where I haven't been able to take two or three days off without feeling guilty," said Courier after his first-round victory Monday: last week he won a tournament for the first time in 17 months. "Hopefully that won't happen again. Hopefully I'm going to pace myself a little bit better. It's a game; it should never feel like something other than that."

No. 2 Andre Agassi has always been happy taking his time. He passed up Wimbledon for three years, and until now has never played the Australian Open. He's there because he wants to be No. 1, and that means living by everyone else's schedule.

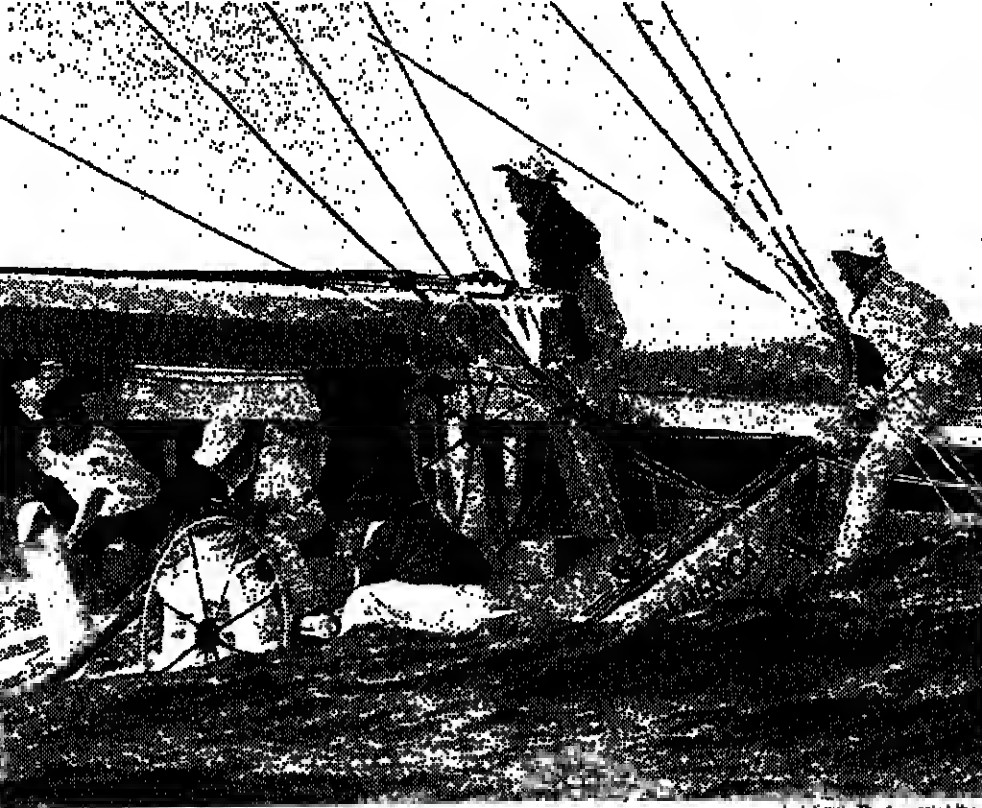
Suddenly Agassi is taking the long view of his career. Not only does he want to join the short list of 11 men who have been ranked No. 1, he wants to complete a career Grand Slam, lacking this tournament and the French Open. The latter is the only major title to elude Sampras. He has been looking forward to the day when the 24-year-old Agassi commits himself to becoming a main rival.

For the first time in a year, the major events won't be just about Sampras. Now it's Sampras and Agassi, with the understanding that Agassi has to survive the grind. His blinding victories at Wimbledon (1992) and the U.S. Open (last year) came as the result of his own pace. Can be brilliant and fresh while living a version of Sampras' cloistered life? To maintain concentration Sampras eats room service and doesn't sightsee. No one expects that of Agassi, but overcoming Sampras will be a victory of discipline.

AGASSI IS TALKING about playing well into his 20s, but it's been a long time since a 29-year-old has held steady around No. 1. No one could fault the 23-year-old Sampras if his game fell off in two or three years. It probably wouldn't come from a lack of effort, but more likely from a clothing. Sampras has reacted by calling for a true off-season that would spare him, but it isn't going to happen. The game placates him and the others with millions from prizes, appearances and endorsements. A marketing man might say that the sport is a global business, and the player is disposable product.

At last Agassi has cut off his distracting locks and jumped in full. This fortnight might have longterm implications. If he wins this one, it won't be the result of his unique approach. No longer is he skipping this event and that one, joining the marathon field halfway along. He finds everyone healthy and ready for the first leg of a long, long road.

Ian Thomsen



Young America appeared to be sinking, but it defeated America 3 by 37 seconds.

Australian Open First-Round Results

Men's Singles
Michael Stich (17), Germany, def. Jeff Tarango (U.S.), 6-3, 6-1, 6-3; Andre Agassi (2), U.S., def. Boris Becker (1), Germany, 6-3, 6-2, 6-0; Stefan Edberg (6), Sweden, def. Mark Philippoussis (187), Australia, 4-6, 6-3, 7-6 (7-1), 7-5; Conchita Martinez (2), Spain, def. Barbara Rittner (4), Germany, 6-3, 6-2; Martina Hingis (14), Switzerland, def. Jelene Watanebe (U.S.), 6-0, 7-6 (7-2).

Women's Singles
Martina Hingis (14), Switzerland, def. Jelene Watanebe (U.S.), 6-0, 7-6 (7-2); Conchita Martinez (2), Spain, def. Barbara Rittner (4), Germany, 6-3, 6-2; Andre Agassi (2), U.S., def. Boris Becker (1), Germany, 6-3, 6-2, 6-0; Stefan Edberg (6), Sweden, def. Mark Philippoussis (187), Australia, 4-6, 6-3, 7-6 (7-1), 7-5.

Men's Doubles
Richard Fromberg (Australia), def. Radek Gilbert (France), 6-4, 6-2, 6-0; Lars Johansson (Sweden), def. Johny Yozzo (Peru), 6-2, 6-4, 7-5 (7-3); Wayne Ferreira (11), South Africa, def. Karsten Brasmich (Germany), 6-3, 6-7 (10-12), 6-4, 7-6 (7-2); Lars Ristvedt (Norway), def. Yusef El Amrani (Morocco), 6-2, 6-7 (8-10), 6-1, 7-6 (7-2); Stefan Edberg (6), Sweden, def. Mark Philippoussis (187), Australia, 4-6, 6-3, 7-6 (7-1), 7-5.

Women's Doubles
Brenda Schultz (11), Netherlands, def. Karine Schuster (Germany), 6-3, 6-2; Sandrine Testud (France), def. Caroline Vis (Netherlands), 6-4, 6-0; Elina Ramo (South Africa), def. Rachel McQuillan (Australia), 6-4, 6-4; Nicole Pietrangeli (Australia), def. Kolina Stoderova (Slovakia), 6-4, 6-1.

Men's Singles
David Wheaton (U.S.), def. Joern Renzenbrink (Germany), 6-3, 7-6 (7-4); Olivier Delattre (France), def. Ashley Hounam (Australia), 3-6, 6-2, 6-3; Martin Damm (Czech Republic), def. Daniel Vacek (Czech Republic), 7-6 (7-4), 6-4; Christiane Corneil (Italy), def. Li Rui (France), 6-3, 6-1, 6-1; Nicolas Pietrangeli (Venezuela), def. Scott Dreyer (Australia), 6-2, 7-6 (7-4), 6-7 (10-12), 6-4; Michael Chang (11), U.S., def. Paul Kilderry (Australia), 6-2, 6-4, 5-7, 6-2.

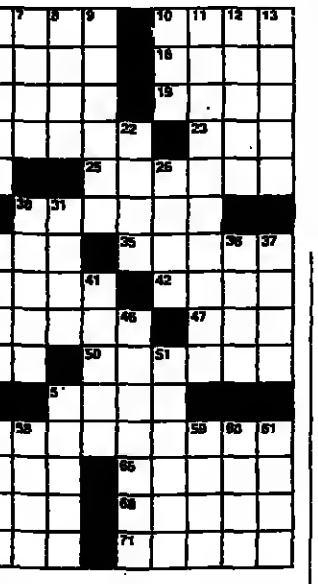
Men's Singles
Karin Alami (Morocco), def. Brad Gilbert (U.S.), 6-4, 6-2, 6-1; Pete Sampras (1), U.S., def. Gianluca Pozzi (Italy), 6-3, 6-2, 6-0; Thomas Muster (14), Austria, def. Rikl Rikl (Czech Republic), 6-4, 6-2, 7-6 (7-4), 6-4; Petr Korda (Czech Republic), def. Guillaume Roux (France), 7-6 (7-4), 6-4, 6-2.

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